

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 20th MARCH 2012

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[09:31]

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

QUESTIONS

1. Written Questions

1.1 THE DEPUTY OF GROUVILLE OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING ECO-FRIENDLY PARKING PERMITS:

Question

Further to the answer to a written question tabled on 21st February 2012 relating to the “eco-friendly parking permits” which were first issued in 2008, would the Minister provide the following further details to enable members to establish a clearer understanding of the success or otherwise of this incentive scheme which is aimed at improving air quality -

- a) The total number of vehicles registered for “eco-friendly parking permits” in each of 2009 and 2010.
- b) The total value (to the nearest pound) of the parking scratch cards issued to “eco-friendly” qualifying vehicles in each of 2008, 2009 and 2010.
- c) The total number of all vehicles qualifying under emission band B (100/120gm CO₂/km) in each of 2008, 2009, 2010 and 2011.
- d) The total value (to the nearest pound) of the parking scratch cards issued to all qualifying vehicles in band B in each of 2008, 2009, 2010 and 2011.
- e) The total number of hybrid vehicles qualifying under emission band B in each of 2008, 2009, 2010 and 2011.
- f) The total value (to the nearest pound) of the parking scratch cards issued to hybrid vehicles qualifying under band B in each of 2008, 2009, 2010 and 2011?

Answer

- a) The total number of eco permits issued in 2009 was 26, and in 2010 was 47.
- b) The total value of 50% discounted scratch cards issued for use by vehicles issued with an eco permit was £1190.70 in 2008, £2,231.30 in 2009, and £4,004.04 in 2010. 50% discounted season tickets for use by vehicles issued were also sold amounting to £115.12 in 2008, £506.00 in 2009, and £2,827.58 in 2010.
- c) CO₂ emission figures for vehicles were not gathered until Vehicle Emission Duty was introduced in September 2010. Therefore total vehicles registered on the island which qualified for the scheme in 2008, 2009 and 2010 cannot be determined accurately. Similarly, the vehicle registration database is not configured to extract the information asked for 2011. However, an estimate of the number of hybrid vehicles registered that would qualify under emission band B is:-

2009 – 16

2010 - 20

- d) When scratch cards are sold to the general public, they are not asked which vehicle each scratch card is to be used with. TTS do not know which scratch cards sold are used with hybrid vehicles; this information is therefore not available. The scheme is policed by ensuring that vehicles using 50% discount scratch cards are also displaying an eco permit.

- e) "Hybrid" has only been recorded as a fuel type since the beginning of 2009. The number of hybrid vehicles first registered in 2009, 2010 and 2011 were 28, 32 and 67 respectively. Of the 67 registered in 2011 (the first full year during which CO2 emissions were recorded) 32 of these vehicles were recorded with CO2 emissions qualifying within band B (100-120 g/km). It should be noted that the current year model Toyota Prius hybrid now qualifies for an eco permit in Band A, but when the scheme started qualified in band B.

- f) When scratch cards are sold to the general public, they are not asked which vehicle each scratch card is to be used with. TTS do not know which scratch cards sold are used with hybrid vehicles; this information is therefore not available. The scheme is policed by ensuring that vehicles using 50% discount scratch cards are also displaying an eco permit.

Further to the answer to this question and the question answered on Tuesday 21st February on this subject, I would like to make it absolutely clear that all qualifying hybrid vehicles registered before the cut off point will continue to enjoy the benefit of eco friendly parking as long as the present scheme runs, as vehicles are qualified at the point they are first registered in Jersey. There is no intention to retrospectively apply the new emission requirements to previously registered vehicles circulating on the Island.

Manufacturers of vehicles are continually making improvements to the technology and hybrid vehicles are achieving lower emissions levels as demonstrated by the Toyota Prius. This change to the rules will support the goal of the Sustainable Transport Policy, as amended, of encouraging **small** low emissions vehicles. As technology advances it is envisaged that there will be further changes to the scheme to ensure that it always incentivise the use of the state of the art vehicles which are overall the least environmentally damaging.

1.2 THE DEPUTY OF GROUVILLE OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE TENDER PROCESS FOR LANDSCAPE AND ARCHITECTURAL SERVICES:

Question

Could the Minister define the formal process by which the landscape design and architectural services for States projects are put out to open competitive tender to the local design industries?

Answer

The majority of procurement of landscape design and architectural services for States projects is undertaken by Jersey Property Holdings and the Housing Department. Their procedures are as follows:-

Jersey Property Holdings

The procurement processes for the engagement of professional services, including Architectural Services and Landscape Design, are set out in Financial Direction 5.6 (The Control of Capital Expenditure) for major capital works and Financial Direction 5.1 (Purchase of Goods and Services) for non capital projects.

The department procuring the service will first consider whether in house services can be used. In the case of Architectural Services, Property Holdings retains a small in-house design team. Use of in-house Architectural Services resource will depend on a number of factors including, capacity, experience and skills available, the scale or urgency of the project and the need for any specialist skills.

The in-house team at TTS Parks and Gardens may be used to provide landscape design for soft areas and to assist with hard landscaping as appropriate.

Where it is not possible or desirable to use the in-house team, a procurement process following the requirements of the relevant Financial Direction will be used to appoint the most appropriate external resource. This will consider on-Island practices in the main, but may also be extended to off-Island practices where it is considered appropriate.

Housing Department

Revenue work

It is very rare for the Department to commission landscaping design work within the revenue budget. However the Department does carry out grounds maintenance.

The Ground Maintenance Contract is split into 3 packages comprising of various housing estates across the Island. Currently, this is being delivered by three separate contractors under a 3 year Service Level Agreement which began in 2010. One of the three packages is delivered by the Parks and Gardens section of Transport and Technical Services. This package is not tendered.

The remaining two packages will be re-tendered on the States of Jersey e-portal system towards the middle of 2012. The process will involve an open tender where interested Contractors will complete a pre-qualification questionnaire (PQQ). The PQQ, which looks at the organisation, experience, financial standing, health & safety and approach to training and apprenticeships, will be scored to arrive at a shortlist. The Shortlisted contractors will then be asked to submit a cost, based on specific criteria, for maintaining a package of estates. The Contractors that provide value for money will be awarded a service level agreement (for 3 years) to carry out the maintenance work.

The current incumbents are both local and it is now a condition on all tendering that work should go to local contractors unless:-

- It is specialist work not available on island;
- There is limited local competition and local rates do not offer VFM.

Garden maintenance is not expected to fall into either of these categories so would be local.

Capital work

The Department aims to keep landscaping as simple as possible and therefore as cost effective as possible. When it requires specialist 'soft' landscaping input, it always uses the in-house resources i.e. Parks and Gardens. With hard landscaping, this is normally designed between the Architect and the engineer on each project.

1.3 DEPUTY S.S.P.A. POWER OF ST. BRELADE OF THE MINISTER FOR EDUCATION, SPORT AND CULTURE REGARDING REPLACEMENT VEHICLES FOR THE ELIZABETH CASTLE FERRY SERVICE:

Question

In relation to the 2 replacement vehicles for the Elizabeth Castle ferry service purchased by the Jersey Heritage Trust in the Summer of 2008 at a cost of £500,000 would the Minister provide the following information to show the operating costs of these two machines in the four calendar years 2008 to the end of 2011:

- 1: operating costs for 2008 to 2011 including staff, fuel and insurance:
- 2: mechanical repairs and winter overhauls for 2008, 2009, 2010 and 2011;
- 3: the cost of re-fitting the machines in the winter of 2011 with hydrostatic drive systems?

Answer

The Jersey Heritage Trust (JHT) has provided the following information to answer the Deputy's question.

	2008	2009	2010	2011
Operating Costs	46,960.57	3,198.65	3,353.85	5,896.94 *
Fuel	5,446.53	3,077.76	4,530.77	6,807.88
Staff	70,456.27	69,135.16	64,202.26	75,260.33
Insurance	4,897.00	7,345.70	5,729.10	5,729.10
	127,760.37	82,757.27	77,815.98	93,694.25
Mechanical repairs & winter overhaul	78,929.58	153,423.79	121,892.62	256,019.83*
Castle admissions revenue	£280,166	£298,498	£355,437	£404,596

Includes £80,000 cost of introducing foam into the hulls of both vehicles to meet regulatory requirements.

The budgeted cost for re-fitting one castle ferry with a hydrostatic drive system in 2012 is £90,000.

The Jersey Heritage Trust has advised that its survey work shows more than 70% of visitors take the ferry at least in one direction to access Elizabeth Castle. The ferries are viewed as a positive experience by visitors and The Trust believes that revenues and visitor satisfaction would drop dramatically without this form of transport. This is the reason for the investment in their purchase and maintenance.

The Jersey Heritage Trust wished to stress that this aspect of their operation is the subject of the same careful scrutiny as its other activities. As part of this process, the Trustees recently conducted a review of Elizabeth Castle transport to consider possible alternatives. They did not find a viable alternative and therefore concluded they should invest in the conversion of the ferries in order to reduce running costs and increase reliability.

1.4 DEPUTY S.S.P.A. POWER OF ST. BRELADE OF THE MINISTER FOR EDUCATION, SPORT AND CULTURE REGARDING THE PENSION ENTITLEMENTS OF JERSEY HERITAGE TRUST STAFF:

Question

Can the Minister outline how many members of staff at the Jersey Heritage Trust are on final salary pension plan and part of the Public Employees Contributory Retirement Scheme?

Answer

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1.5 DEPUTY S.S.P.A. POWER OF ST. BRELADE OF THE MINISTER FOR EDUCATION, SPORT AND CULTURE REGARDING JERSEY HERITAGE TRUST'S VEHICLE LEASES:

Question

Would the Minister inform members how many vehicles the Jersey Heritage Trust utilises out of the pool of leased cars that Transport and Technical Services Department administer on behalf of the States?

Answer

The Minister for Education, Sport and Culture is not responsible for the day-to-day operations or management of the Jersey Heritage Trust, which would be able to answer such questions directly.

Nevertheless, to assist the Deputy, the ESC has raised the issue with the Trust on his behalf.

The Trust formerly leased a car from Transport and Technical Services but stopped doing so as part of recent cost-cutting measures. It now uses a small van, which it owns. The Trust has raised the possibility of leasing vans from TTS but it has been informed that vehicles are not available on this basis. The Trust has not bought any motor vehicles since 2008.

1.6 THE CONNÉTABLE OF ST. JOHN OF THE CHAIRMAN OF THE PRIVILEGES AND PROCEDURES COMMITTEE REGARDING THE DECLARATION OF MEMBERS' INTERESTS:

Question

Would the Chairman inform members whether the Data Protection Commissioner was consulted on whether it was appropriate for a member to be required to declare the interests of his or her spouse or partner before the Committee lodged the Amendment (No. 18) to the Standing Orders of the States which will require publication of interests on the internet and, if so, what advice was received? If the Commissioner was not consulted would the Chairman explain why this was not done?

Were all candidates standing for election in October 2011 notified in writing of the requirements concerning the interests of spouses/partners and, if so, did this include getting written consent from the spouse/partner agreeing to the publication of interests? Were candidates further notified that it was intended to publish interests on the internet as well as making them available for public inspection in Morier House?

If candidates were not notified, will the Committee be taking action to address the issue and will the Committee agree to delay the implementation of the proposals until the next elections to enable appropriate measures to be taken to address any concerns relating to the interests of spouses/partners?

Answer

Internet research shows that Registers of Interests relating to M.P.s in the House of Commons, Members of the Scottish Parliament, Members of the Welsh Assembly and Members of the States of Guernsey can all be found and examined on the net. (See appendix)

The Data Protection Commissioner was not consulted immediately prior to the lodging of Amendment (No. 18) to the Standing Orders of the States, however she had been engaged with earlier discussions with the Code of Conduct Working Party, particularly when this issue was first discussed in 2005.

The amendment refers only to the interests of the member, their spouse or co-habitee, but not to any other member of the family. The duty to declare the interests of one's spouse has been included in Standing Orders since 1991 since which time the following have been declarable -

- “ (b) the name and description of any company, whether registered in Jersey or elsewhere, in which the member or the member's spouse, or both persons jointly, owns more than ten per cent of the issued shares;
- (c) a description of any land in Jersey, other than their principal place of residence, which is owned by the member or the member's spouse or both persons jointly and from which either of them derives an income;”

On 6th March 2012, the States agreed that the amendment to Standing Orders which enables publication of a member's interest on the States Assembly website will come into force one month later, namely 6th April 2012.

This amendment was approved following two States' debates. However, the questioner will be aware that the Privileges and Procedures Committee initially proposed publication of the register of members' interests as long ago as 2005 (P.162/2005 refers) as there was consultation with members, and the Committee of the day withdrew this element of the Standing Order changes at a member's request. The matter was brought back to the Assembly by an individual member, the Deputy of St. Martin, and on 9th June 2011 was carried by 39 votes to 9, with 2 abstentions, and the Committee therefore secured the necessary law drafting amendment to Standing Orders for the States' approval to implement that decision, which was debated on 6th March 2012. The revised Standing Order was approved by 38 votes to 5 with one abstention.

The then Deputy of St. Martin also asked a question (6323) of the Committee on this matter on 7th June 2011. Given that matters have been lodged on 3 occasions, consultation with members has occurred, and there was both an earlier written question and a debate during the run up to the last election, I believe there was adequate notice of the provision for prospective candidates.

The Committee as previously constituted did not recommend the online publication of the register of members' interests immediately the proposition was adopted in 2011 and considered that the move to online publication should only be made once the new Assembly has been sworn in, allowing those standing for election to take an informed decision in the full knowledge that the details they will be required to provide as elected members will be published on the Internet. It is the responsibility of prospective candidates for any new position to familiarise themselves with the requirements of the post, and this is also true of the office of States' member. There are a number of obligations placed on anyone who stands for election to the States including the need to abide by the election expenses' regulations, the need to abide by a Code of Conduct and it is the duty of all candidates to ascertain what the constraints of elected office are before standing for election.

It is important to remember that Standing Orders require the Greffier of the States to maintain a register of members' interests and that any person may inspect the register at the offices of the States Greffe during normal working hours. While a photocopy cannot be provided, the Assembly has been advised by the Law Officers that any person could copy out the register and post it on the internet. A member of the public had already expressed an interest in doing so. Were a copy posted on the internet by an individual it may be incomplete and may not be maintained, so that any register put on the internet informally could be misleading, certainly with the passage of time. The Committee took the view that a properly maintained and accurate list will be a better solution. The amendment to Standing Orders was approved by a large majority of the Assembly on 6th March 2012 and there is now no scope for PPC to put this matter on hold as requested by the questioner.

APPENDIX

DECLARATION OF MEMBERS' INTEREST - WEBSITE AVAILABILITY

PARLIAMENT	Published on official	Remunerated directorships	Remunerated Employment	Clients	Sponsorship or other support	Gifts, benefits, hospitality	Travel	Land and property	Share holdings	Memberships	Legal instrument or Code
United Kingdom House of Commons	Yes	Amounts paid, number of hours worked, nature of the business and the name and address of the person/company concerned. The return should include taxable expenses, allowances or benefits. Unremunerated positions for a company associated with another company in which the member has a remunerated position must be declared.	Details including amount paid, nature of the work carried out, number of hours worked, and the name and address of the person/company concerned.	The provision of services to clients should be listed, with their name and the nature of their business. Where these services are provided to a consultancy, then the member must list any of the clients of the consultancy too who services/advice were supplied.	Any donation or other form of financial or material support amounting to more than £1,000 from a single source. Any agreement with a Member on the provision of services must be declared a value exceeds 1% of the member's salary.	Any gift to the member or their spouse or partner (of £200 or over and from a permissible source), which in any way relates to membership of the House or to a member's political activity, and whose value exceeds 1% of the parliamentary salary.	Relates to overseas travel, whose value exceeds 1% of the parliamentary salary, and where those cost was not wholly borne by the Minister or by UK public funds.	Any land or property, not being used for the personal residential purposes of the Member, the Member's spouse or partner, and of substantial value or from which a substantial income is derived. 'Substantial value' means greater than the parliamentary salary, and 'substantial income' means greater than 10% of the parliamentary salary.	Greater than 15% of the issued share capital of the company, or 15 per cent or less of the issued share capital, but greater in value than the parliamentary salary.	n/a	Resolution of the House of 22 May 1974, amended on 9 February 2009.
Scottish Parliament	Yes	Details of paid and voluntary directorships.	Full details of any employment, remunerated interviews (or donations in lieu of payment)	n/a	Personal sponsorship or events run by the member.	All gifts received, including one-off donations.	Travel as a Committee member - amounts relating to flights, meals, accommodation.	Details of heritable property. No details of principal dwelling.	The member or a relevant person holds shares where the nominal value is greater than 1% of the total nominal value of the issued share capital, or where the market value exceeds 50% of the member's salary (currently £28,760).	n/a	Scottish Parliament Act 2006 and Code of Conduct for Members of the Scottish Parliament
National Assembly for Wales	Yes	Own and spouse directorships. Also membership or chairmanship of bodies in receipt of Assembly funds.	Details of own and spouse's employment.	Names of clients required.	Sponsorship that is more than 25% of the candidate's election expenses and ongoing financial support by any person or organisation.	Limit is 0.5% of basic gross annual salary as an Assembly member (currently £269).	Overseas visits by member/partner or dependent child.	Landed owned by member/partner or dependent child valued at more than the gross annual salary of a member (currently £53,852) or from which the member derives an income of more than 10% of the gross annual salary (currently £5,385).	Companies or bodies in which the member/partner or dependent child has a beneficial interest in shares which either have a market value greater than 1% of the issued share capital, or have a value exceeding 50% of the basic gross annual salary (currently £28,760).	Membership by member/partner or dependent child, paid or unpaid, or any body funded wholly or in part by the Assembly. Membership of a private club or society which has entry requirements for membership.	Section 36 of the Government of Wales Act 2006 and Standing Order 31.

DECLARATION OF MEMBERS' INTEREST - WEBSITE AVAILABILITY

Eire	Yes	Member's directorships or shadow directorships.	Any occupation the remuneration from which exceeded €2,600.	Contracts exceeding €6,500.	n/a	Money or other property exceeding €650.	Exceeding €650.	Freehold or leasehold interests exceeding €13,000.	Exceeding €13,000.	n/a	Ethics in Public Office Acts, 1995 and 2001.
States of Guernsey	Yes	Name and registered office of companies where directorships are held.	Name and address of employer and nature of employment or office.	n/a	n/a	Any assets or interest held or enjoyed by any close members of family or by any company in which the member has a controlling interest which might be thought to influence the members' conduct as a member of the States.	n/a	Material interest in real property situated in the Bailiwick (other than principal residence) held by member/member's spouse/ infant children or a company in which the member has a controlling interest.	Where the member/member's spouse/infant children or a company in which the member has a controlling interest is beneficially entitled to 10% or more of the issued share capital of, or a material interest in, a limited liability company.	n/a	Rule 23 of the Rules of Procedure of the States of Deliberation and Schedule 1.
States of Jersey	No	Name and address of any organisations from whom the member receives any remuneration or benefit by virtue of being a director or a partner.	Name and address of any person, company, trust, professional association, union, political party or other organization from whom the member receives any remuneration or benefit by virtue of being employed or the holder of an office.	n/a	Name and address of any person who provides sponsorship. Any other interest or benefit which the elected member or his spouse or cohabitee receives which might influence the members' actions as an elected member.	Name and address of any person who gives the elected member, or his or her spouse or cohabitee, any gift, hospitality or other benefit which has a monetary value greater than 1% of the member's salary.	Name and address of any person (apart from the States or any administration of the States) who pays all or part of the costs of a visit made outside Jersey by the elected member or his or her spouse or cohabitee.	A description of any land sufficient to identify it, which is wholly owned, or jointly owned with another person by or on behalf of the elected member or his or her spouse or cohabitee; or by or on behalf of the elected member and his or her spouse or cohabitee jointly.	Name and address of any company in which the member/the member's spouse or cohabitee, or both of them, whether jointly or separately, own shares exceeding 1% or more of the issued share capital of the company or £25,000 in value.	n/a	Standing Orders 152-154 and Schedule 2.

1.7 CONNÉTABLE OF ST. JOHN OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING SHIPPING ROUTES:

Question

In view of the current difficult economic climate what plans, if any, has the Minister made to ensure continuity of service to keep freight and passenger vessel transport operating in the event of one or more shipping companies ceasing trading to cover the disruption that would be caused?

Answer

As part of normal business practice, the Port of Jersey has contingency plans in place should there be a disruption to freight and passenger vessel transport, for example, in circumstances where a company ceased trading.

The Port of Jersey carried out a thorough investigation into the availability of shipping services both in 2008 and 2012 to ensure continuity of business in the event of the failure of a major operator. The freight volumes to and from Jersey are consistent, hence planning contingencies are quite straight forward than in more volatile markets. While the data remains commercially sensitive I can give assurances that should a freight operator cease trading there is sufficient capacity between the existing operators to cover any disruption.

In terms of passenger services, Port of Jersey has identified suitable alternative provision that could operate in Jersey waters as an interim service until a longer term solution could be secured.

1.8 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR HOUSING REGARDING SOCIAL HOUSING RENTS:

Question

Will the Minister produce for members the figures on which he has based the statement "*Social housing rents and States rents in particular have fallen significantly behind the market*" given in response to question 6754 on 6th March 2012?

Will the Minister set out how States and Housing Trust rents compare with the Jersey private sector rent index over the period since 2005 and in particular since 2009 when the index has been largely flat?

Will the Minister justify his response "*However, it would not be appropriate for a White Paper on Housing reform to discuss the detailed interaction between rent levels, income tax thresholds, minimum wage and Income Support?*" Does the Minister consider that a detailed analysis of this interaction is required before any long-term major policy decisions are made in this area and, if so, when, and by whom, does he expect such analysis to be done and, if not, why not?

Answer

In 2010 the Housing Department undertook a stock condition survey, capital valuation and a review of rents. The rent review was carried out by independent local property management agents experienced in the local private rental market. The review involved inspections of 480 homes

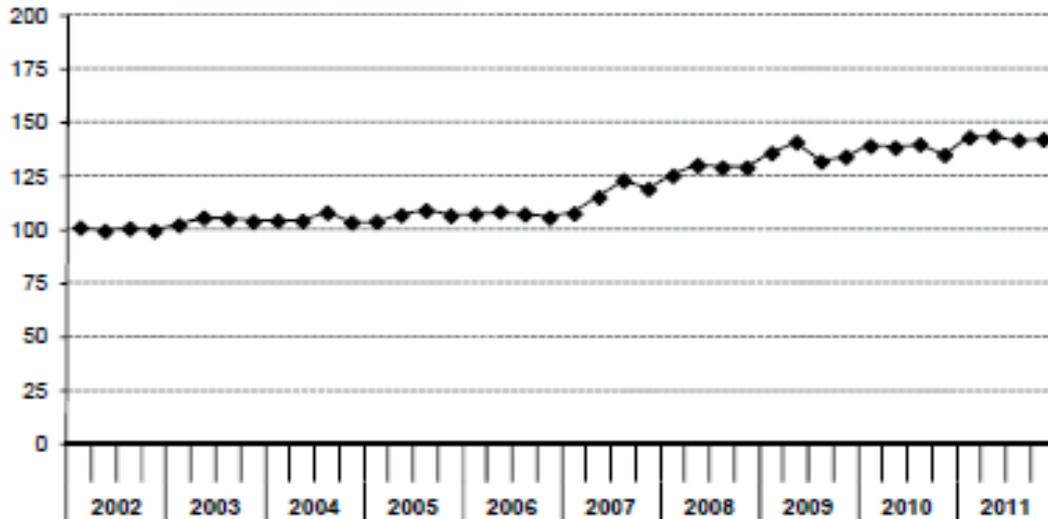
across the stock and resulted in the assignment of a potential realistic market rental value for each home.

The States Statistics Unit compiles data on new tenancies being entered into from records maintained by the Population Office. These figures are included in the Jersey Private Rental Index.

The outcome of the review of rents and the Statistics Unit data were reviewed by Professor Steve Wilcox of the University of York; an expert in the field of rents and rental benefit systems. Professor Wilcox concluded that rents in the social sector were significantly behind the market to varying degrees and provided an unintended, hidden and untargeted subsidy to social housing tenants. It is not realistic to list the current and assessed market equivalent rents for all 4,500 social units held by the States, however, it is possible to group the properties into bands demonstrating to what degree rents are below the market. This is shown below:-

Variance to market rental equivalent rents	Proportion of States Rental Homes
Less than 20%	12% of States rentals were less than 20% behind market rental values
21% to 40%	47% of States rentals were between 21 – 40% behind market rental values
41% to 60%	29% of States rentals were between 41 – 60% behind market rental values
61 to 80%	9% of States rentals were between 61 – 80% behind market rental values
81 to 100%	3% of States rentals were between 81 – 100% behind market rental values

In respect of the second part of this question, I disagree that the Private Sector Rental Index has been largely flat since 2009. It hasn't and in 2011 alone the Index shows a 3% increase on 2010. Rents in the social sector increased by 2.5% that year and then only in October and these increases were matched by a corresponding increase in the Housing Component benefit level ensuring that tenants on Income Support were not financially impacted.

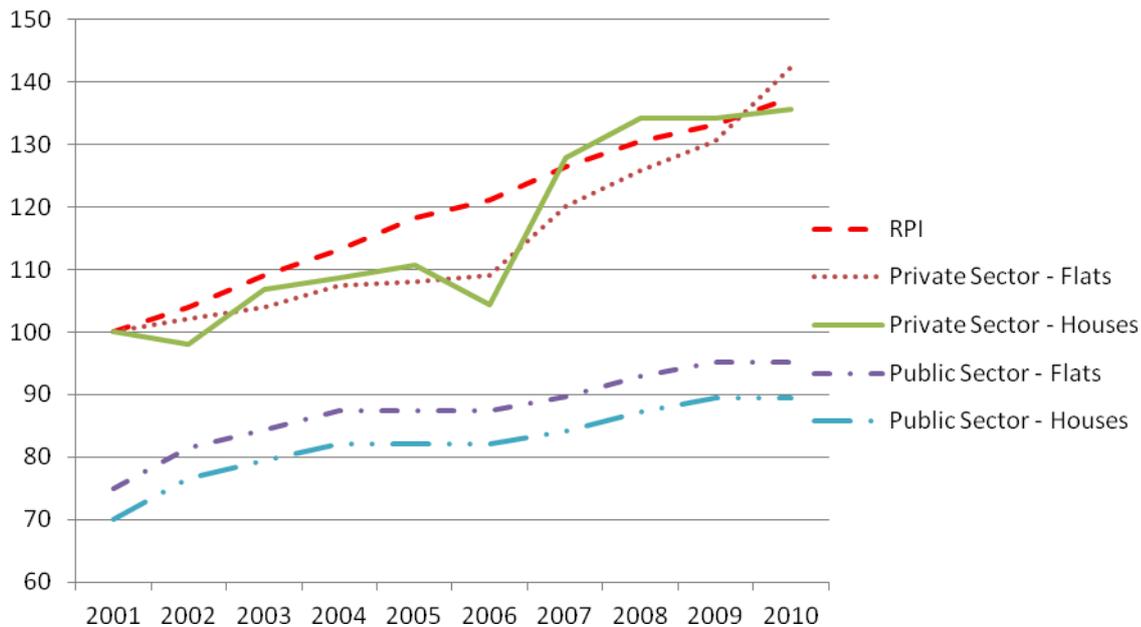


As the chart above displays average rents in the private sector as measured by the Jersey Private Sector Rental Index, increased by 4% between 2002 and 2003 and were then essentially stable until 2006 before rising by 18% during 2007 and 2008.

Annual changes in rent levels in the social sector can be compared to the Jersey Private Rental Index as follows:-

YEAR	% CHANGE IN PRIVATE SECTOR RENTS	% CHANGE IN SOCIAL HOUSING SECTOR RENTS
2007	8% higher than 2006	2.5% increase in rentals
2008	10% higher than 2007	3.7% increase in rentals
2009	6% higher than 2008	2.5% increase in rentals
2010	2% higher than 2009	No increase
2011	3% higher than 2010	2.5% increase in rentals

As the table demonstrates between 2007 and 2011 the Jersey Private Rental Index increased by 17.8% more than rents in the Social Housing Sector. This widening of the gap between social and private sector rents is perhaps clearer from the following chart which for context also shows RPI.



The final part of this question is in relation to the response I gave to question 6754 on 6th March 2012. As I set out in my original response, I do not consider that analysing the interaction between rent levels, income tax thresholds, minimum wage and Income Support to be something that needs to be carried out for publication of my White Paper. This detailed analysis is for the Minister for Social Security to carry out in order that he can bring forward proposals for the support of tenants in the private rented sector alongside my Report and Proposition on social housing reform.

1.9 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR SOCIAL SECURITY REGARDING THE NUMBER OF CLAIMS AND TOTAL SUMS FOR INCOME SUPPORT SPECIAL PAYMENTS:

Question

Will the Minister state what numbers of claims and total sums for Income Support special payments were paid to claimants in 2008, 2009, 2010 and 2011 by group, as follows:

1. Essential household equipment
2. Rental deposit
3. Removal expenses
4. Employment related expenses
5. Medical expenses
 - a) Additional GP visits
 - b) Dentistry
 - c) Chiropody
 - d) Optician's services
 - e) Medical products (e.g. dressings)
6. Health & Safety

7. Funerals
8. Failed jobseekers

How many claims paid for dentistry would have been reduced or stopped by the new cap of £500 over 2 years, along with the total savings?

Does the Minister agree that early intervention in this area, is a “spend to save” measure that will prevent greater costs in the long term in line with the approach presented in the Health and Social Services green paper “Caring for each other”?

What consultation has the Minister undertaken with dentists or the Minister for Health and Social Services to assess the impact on dental health of income support claimants and in potential increased costs in the long term of the denial of essential and preventative dental surgery resulting from the new limits and, if none, when will he do so?

Answer

The table below provides information on Income Support Special Payments, analysed according to the categories set out in the special payment regulations.

	Special Payment	2011		2010		2009	
Regulation	Description	No	Amount	No	Amount	No	Amount
1(a)	Essential household equipment	531	£181,417	506	£154,116	472	£145,515
1(b)	Rental deposit	202	£186,654	149	£107,632	171	£138,200
1(c)	Removal expenses	49	£7,989	71	£12,331	48	£7,149
1(d)	Employment related expenses	14	£488	2	£371	-	-
1(e)	Medical expenses	1,609	£989,631	2,006	£907,599	2,127	£754,549
2	Health & safety	1	£98	3	£2,512	3	£664
3	Funerals	34	£52,998	28	£37,142	12	£14,985

Note that the table does not include data for 2008, which was recorded in a different format. The data for 2011 is based on unaudited accounts. Audited figures will be available later this year. Where appropriate, costs have been allocated proportionately to reflect the year in which the expense arose. In some cases, claim numbers refer to multiple claims for the same household, reflecting different administrative procedures during the years in question.

Under the Income Support law, a household is not entitled to receive benefit if any adult jobseeker within the household fails to actively seek work. In this situation, the special payment regulations provide residual support for the household. It is not possible to separate these costs from other household income support benefit costs.

No claims for urgent dental treatment will be reduced or stopped because of the new rules for dental special payments, as the department will offer an interest free loan if the cost of the urgent treatment exceeds the £500 limit for grants.

In 2011 there were 232 claims that exceeded £500. 50 of these were for over 65s or people in receipt of levels 2 or 3 of the Personal Care component of Income Support and so would be unaffected by the £500 limit on grant payments. 182 claims would have been capped at a grant of £500 from the Department, with any balance above this provided in the form of an interest-free loan. As noted in the report accompanying MD-S-2012-0015, based on the figures for dental special payments in 2011, interest free loans would have replaced grants in respect of approximately £87,000 of claims.

Income Support Special Payments were not designed as a scheme to provide preventative healthcare; they were created in law to assist low income families with unexpected one –off costs, and the claimant needs to show that s/he is “*in urgent need of the goods or services being provided*”¹, to qualify for the payment.

The role of early intervention in dental care is a matter for the Minister for Health and Social Services. However, our two departments already work closely together, and preventative dental care is promoted through our funding of the Jersey Dental Fitness Scheme, which is targeted at children from low-income families who are aged between 11 and 21 and still in full-time education. Below that age, HSSD provide a school dental service.

As noted in my Ministerial statement of 6 December 2011, I am already committed to a review of the Jersey Dental Fitness Scheme over the next twelve months as part of a broader review into the way the existing funding for dental services is targeted.

“The (SR.12/2010 Scrutiny) Review noted that support with dental costs was available to teenagers through the Dental Fitness Scheme and to pensioners through the 65+ Health Scheme. However, neither of these schemes have been reviewed for a number of years. I will undertake to review the provision of assistance with dental costs under both these schemes during 2012. The reviews will also consider the administration of the two schemes.”

1 Income Support (Special Payments) (Jersey) Regulations 2007 Reg 3(1)

Local dentists already consult with the Department both informally and through their participation on the board of the Jersey Dental Fitness Scheme. My officers will be consulting extensively with dentists during the review of dental services, as well as officers at the Health and Social Services Department.

It must be emphasised that there has not been, and will not be, any denial of essential, urgent dental surgery to Income Support customers who cannot afford to pay.

¹ *Income Support (Special Payments) (Jersey) Regulations 2007 Reg 3(1)*

1.10 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHIEF MINISTER REGARDING PUBLIC SECTOR EMPLOYEES' TERMS AND CONDITIONS OF SERVICE:

Question

Notwithstanding the decision of the SEB only to negotiate on the basis that any pay rise for the public sector in 2012 and 2013 can only be met by cost-saving reductions in employees terms and conditions, does the Chief Minister Consider that Jersey has fallen seriously behind the UK on terms and conditions for workers?

Does the Chief Minister accept that statutory maternity pay terms in Jersey are substantially below those in the UK and does he consider that such differences are a serious impediment in recruiting professionals in such areas as nursing, teaching, medicine and social work, and, if so, what plans does he have in order to address this issue?

Further as he attempts to open genuine negotiations on terms and conditions, and in the light of any proposals on the potential for privatizing or outsourcing public services, will the Chief Minister table the introduction of Transfer of Undertakings (Protection of Employment) legislation at the next meeting with public sector representatives?

Answer

- 1) Terms and conditions of service for public sector workers in Jersey are broadly aligned to those of the United Kingdom (UK). In some areas they are better and in others they are behind. Taking into account recent comparability studies across a number of pay groups, and information held within the States Human Resources Department, Jersey has not fallen behind the UK on terms and conditions of service for public sector workers. All terms and conditions of service of different pay groups are currently being reviewed.
- 2) There is currently no statutory maternity pay in Jersey.

The provision for maternity pay in the public sector varies between 18 and 26 weeks for different pay groups.

States employees are recruited because of the overall employment package Jersey has to offer, including the quality of life, education, pensions, the working environment, remuneration and terms and conditions of service.

A review of the maternity leave provision in the public sector will be addressed as part of the Modernisation Project, currently in development.

- 3) The development of legislation relating to the Transfer of Undertakings (Protection of Employment) known as T.U.P.E. rests with the Social Security Minister. There are currently no plans to introduce such legislation at this time.

The Chief Minister's view has not changed in relation to T.U.P.E. from the one he has previously stated.

1.11 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING SERVICE LEVEL AGREEMENTS WITH THIRD SECTOR PROVIDERS:

Question

What consultation has taken place between her department and third sector providers to agree new service level agreements over the period of the coming Strategic Plan?

In particular, in the delivery of what specific services is a greater role for third sector envisaged?

Has the Minister made any progress in securing 3-year funding streams for third sector service delivery?

What role does charging play in the delivery of services over the next 3 years?

Answer

HSSD has service level agreements (SLA) and provides grants and subsidies to a wide range of Third Sector organisations. Each has a lead officer within HSSD. Lead officers are working, and will continue to work, with SLA holders to review those Agreements. Our aim is to ensure that SLAs are transparent and that they secure the best outcomes for Islanders in relation to quality of service and best value.

HSSD is currently working up plans for service redesign as outlined in the Green Paper. Once the operational details have been finalised and funding secured via the States' Medium Term Financial Plan, we will commence commissioning new services and, if necessary review existing service contracts to ensure they continue to deliver real benefit to Islanders. The commissioning process will include a wide range of opportunities for Third Sector providers, the details of which will be made available when finalised.

It is the States' Medium Term Financial planning process that will provide the opportunities to secure three-year funding. HSSD, like other States Departments, is currently working with the Treasury to develop the Plan for presentation to the States during the summer.

HSSD is committed to supporting the Third Sector to be actively involved in the provision of new or different services - we recognise that Third Sector organisations have a unique and valuable role to play as service providers and as agents for change. HSSD will shortly be holding a Third Sector meeting to discuss next steps, plus we are developing an engagement plan which builds on the

approach taken in the Green Paper and will involve the co-production of some service development plans with a range of stakeholders, including the Third Sector organisations.

With regard to charging, HSSD is developing user pays proposals for some services as outlined in the 2012 Business Plan.

1.12 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE IMPACT OF TAXES ON ISLANDERS' DISPOSABLE INCOMES IN 2012:

Question

Further to the Fiscal Policy Panel (FPP) report of July 2011 which stated that Jersey workers from all earning bands had suffered a reduction in disposable incomes of around 7 to 9% since 2008, what figure does the Minister have for the impact of his current tax and wage-setting policies on disposable incomes in 2012?

Answer

As there is no official measure of disposable income (income after direct tax) in Jersey the FPP was trying to illustrate the squeeze on incomes as a result of higher commodity prices and, to a lesser extent, changes in direct taxation such as '20 means 20' (which impacted on better off households not 'all earning bands'). Nowhere in their report do they suggest that there has been a reduction in disposable incomes of 7 to 9% since 2008.

At the time the FPP estimated that earnings growth in June 2011 would be about 1% and that RPI for the same period would average about 2% - suggesting a 'possible squeeze on income for the year'. However, earnings growth in June 2011 turned out to be 2.5% - broadly in line with inflation over the period - suggesting that part of the squeeze the FPP highlighted did not occur.

The Minister is responsible for bringing forward Budget proposals on taxation to the States for their approval, or amendment. However the level of wages is determined by a number of factors, some of which are outside our control. Pay negotiations for States employees are carried out between the States Employment Board and pay groups. The outcome of these negotiations will be accommodated within the Medium Term Financial Plan and Budgets but may require other compensating measures.

Without a measure of disposable income it is difficult to comment precisely on past trends and even harder to put a figure on trends this year. Nonetheless, the 2012 Budget announced a number of measures that should ease the direct tax burden for some households – income tax exemption thresholds will rise by 4.5% this year and measures have been introduced to support working parents through generous tax relief for childcare costs. The fact that inflation in the early part of the year will remain close to the current rate of 5.0% is of concern but Economics Unit forecasts suggest by the end of year it will have fallen back closer to 3%.

The Minister recognises that this has been a difficult time for households, partly due to factors outside our control like global prices and recession. However, having restored public finances to a sound footing the focus now is on reducing unemployment, job creation for locals and economic growth that will benefit all Islanders.

2. Oral Questions

2.1 Deputy S. Power of St. Brelade of the Minister for Treasury and Resources regarding the further development of the Waterfront:

Can I briefly thank the Assistant Minister for Education Sport and Culture for the depth of his answer in question 3, the written question; it is much appreciated. Is the Minister concerned that any uncertainty surrounding the development of the Waterfront will prejudice the ability of the States of Jersey Development Company to market the proposed office accommodation as outlined in the Hopkins Masterplan?

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

As Members will be aware, this is a live legal case and I hope Members will appreciate that I am not in a position to disclose at any time any further information other than that which was set out in the statement that I sent to Members on 5th March. However, I can say with some degree of confidence and certainty that there is, as far as we are concerned, no uncertainty surrounding the development of the Waterfront. Indeed, the States of Jersey Development Company are actively marketing the Jersey International Financial Centre, as the office accommodation will be known, and there are positive discussions with a number of potential interested occupiers.

2.1.1 Deputy S. Power:

I appreciate that the Minister cannot disclose any information to do with the litigation, and I would not ask him to, but does the Minister have any concerns that a possible long-drawn-out legal dispute, such as witnessed in the Les Pas Holdings dispute in the Royal Court, may again happen here?

Senator P.F.C. Ozouf:

I can certainly understand why that question would be asked but I have full confidence in the board of S.O.J.D.C. (States of Jersey Development Company), and the previous board, in the way that they have handled matters. There are occasions where there were going to be disgruntled individuals who seek resolution through the courts. As I set out in my statement to Members, I believe that the States of Jersey Development Company is in a very strong position and I want to send a very clear message that any prospect of action, which may or may not take some time, is going to in no way cause any difficulty with the progression of the scheme. This is certainly not, as far as I am concerned, another Les Pas and I certainly do not think that there is anything like the scale of issues, even though there will of course be media reports which will for the time being indicate that there is a problem, but I am confident in the position of the States of Jersey Development Company.

2.1.2 Senator S.C. Ferguson:

Does the Minister really believe that, with the volume of office building going on and the lack of demand, it is realistic to carry on with the development of the Esplanade Quarter?

Senator P.F.C. Ozouf:

I think that is a very different question, if I may say so, Sir, but ...

The Deputy Bailiff:

It is at the very edges but I have allowed it.

Senator P.F.C. Ozouf:

It is on the edges. That is fine. Yes and indeed I would say to the Senator that it is a matter of some degree of confidence that we are seeing interest in existing players in the Island (and indeed in potential new players) setting up new offices and investing in the Island. There is demand for new office accommodation, particularly new office accommodation which is ergonomic, efficient and suitable for a new modern working environment, of which the Esplanade presents. The private sector is also offering accommodation and there is a competitive market place, which is good for Jersey and good for confidence.

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

The question concludes: “As outlined in the Hopkins Masterplan.” Would the Minister indicate whether the current plans for the site are indeed as outlined in the Hopkins Masterplan or have they changed? Will he give us assurances that the money is supposed to flow from this scheme into urban regeneration and the other environmental benefits are still on the table?

The Deputy Bailiff:

The second part of the question was definitely over the edges. The first part of the question you are free to answer.

Senator P.F.C. Ozouf:

Sir, I was going to say that I could answer the second part of the question because the first part was, I think, within the domain of my colleague, the Minister for Planning and Environment. Generally speaking, yes, I think that is the answer. The Constable has been in positive and active discussions with me and my Assistant Minister about the issues of the use of the potential part of the revenue from the successful completion of part of the site which could be used to kick-start a St. Helier regeneration. I am excited to be able to work with him and the Minister for Transport and Technical Services in order to do that, but we have to secure those tenants to allow that to happen.

[9:45]

2.1.4 Deputy M. Tadier of St. Brelade:

The Waterfront area is obviously a prime piece of land. Does the Minister not agree that it should be considered to be put to at least partial cultural use for the arts and not simply for the private sector and the financial industry?

The Deputy Bailiff:

I am sorry the question that is first put is concerning uncertainty regarding the development of the Waterfront as the result of the threats against the Jersey Development Company, as answered by the Minister, and that question is beyond the remit of this question. Final supplementary? Thank you. Then we come to question 2. Deputy Southern will ask a question of the Minister for Health and Social Services.

2.2 Deputy G.P. Southern of St. Helier of the Minister for Health and Social Services regarding current vacancy rates of nursing staff:

Will the Minister update Members on current vacancy rates by grade of nursing staff, including overall recruitment and retention rates, the numbers engaged on the student nurse programme, the Return to Work initiative and the use of bank or agency nurses, the impact, if any, of staff shortages on specialist service delivery?

Connétable J.M. Refault of St. Peter (Assistant Minister for Health and Social Services - rapporteur):

If I can crave the indulgence of the Chamber this morning, this is a rather complex question with many areas. I will give a brief oral answer but I do have a draft prepared written answer with all the factual information contained in it. That will be available hopefully by lunchtime today to go out to all the Members. The oral answer is our vacancy rate for registered nursing posts is just under 71 full-time equivalent. Of those available, just under 41 are available to recruit to. The other posts have been offered to potential staff who are awaiting start dates. Forty-one full-time equivalents is equivalent to 5.8 per cent of our registered workforce. This represents approximately a 1 per cent decrease on vacancies when compared to the equivalent month in 2011 and 2010. As I said before, I will provide the remainder of the information in properly fact-checked written information to the Chamber later on, if the Deputy is satisfied with that.

2.2.1 Deputy G.P. Southern:

Could the Assistant Minister in particular pay some attention and give us some numbers of the initiative for the local student nurse programme?

The Connétable of St. Peter:

I certainly can. Currently we have approximately 32 student nurses on the local training programme and there is a strong drive to recruit more to that programme whenever available.

2.2.2 Deputy M. Tadier:

Does the Minister support the proposed 2-year pay freeze for public sector workers and, if so, does she and her Assistant Minister think that this will have a positive or negative effect on the recruitment and retention of nurses?

The Connétable of St. Peter:

I was looking for a direction there, Sir, it sounds a little wide of the mark to me.

The Deputy Bailiff:

It was very wide of the mark but it was cunningly brought back within the mark at the last second.

The Connétable of St. Peter:

Certainly, it has been shown before that there have been a number of studies done on the pay for Jersey nursing staff and it is shown that, compared to the U.K. (United Kingdom), with the cost of living in Jersey there is a shortfall. Any wage restraint that is imposed upon staff generally will have an effect. How much of an effect is impossible to tell.

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

Can the Assistant Minister confirm that locally-trained nurses do, in fact, graduate as fully-fledged and are equivalent to graduate trained nurses that are recruited from elsewhere?

The Connétable of St. Peter:

I cannot give a definitive answer. My instinct is yes they can but I cannot give a definitive answer on that. I do not know the information. I will come back to Deputy with a correct answer later on.

2.2.4 Deputy M. Tadier:

The Assistant Minister spoke about a funding gap, essentially, between the conditions in Jersey and the pay and that of the U.K. Can the Assistant Minister talk about what the level of that is? There are different figures in various reports that have been brought out suggesting it might be between 5 and 18 per cent. What does the Assistant Minister think?

The Connétable of St. Peter:

The actual figures are between 7 and 17 per cent. The Deputy is very close on his figures. It depends on whether the housing element is included. If it is, it shows a 17 per cent gap. However, one of the difficulties we have now, particularly with regard to recruitment, which is the most significant element, is that nurses coming into Jersey now tend to be more mature and they come with families. It is usually the problems with the families getting other work as well - husbands particularly - that is causing some of the problems we have. It is not necessarily a purely pay-related problem, pay is just one element of the problem.

2.2.5 Deputy G.P. Southern:

Does the Assistant Minister not accept that any rate over 5 per cent is problematic and can he update the House on what progress has been made with the benchmarking exercise with medical professionals?

The Connétable of St. Peter:

I think any ongoing vacancy rate is problematic, irrespective of the level of it; it is something which we do not wish to have and something we cannot control. There are always the unforeseen problems with people, due to illness particularly. We have had 2 registered nurses who have left us in the first part of this year due to health concerns and that is unforeseeable and creates these problems for us. The benchmarking exercise between nurses and fellow professionals was done 2 years ago as part of a study, which produced those figures of between a 7 and 17 per cent differential between the U.K. and ...

2.2.6 Deputy G.P. Southern:

I believe the Assistant Minister could update us. There is an active programme going on benchmarking nursing salaries against fellow professionals.

The Connétable of St. Peter:

I believe there is but I do not have the right information to pass on. I do not wish to mislead him on that. I will come back to him with that information.

The Deputy Bailiff:

Very well, we come to question 3 which Deputy Rondel will ask of the Minister for Transport and Technical Services.

2.3 Deputy R.J. Rondel of St. Helier of the Minister for Transport and Technical Services regarding increased car parking facilities in St. Helier:

Given his recent acknowledgement in the media that it is increasingly problematic to park a car in St. Helier, would the Minister indicate whether he is committed to providing increased car parking facilities in town and, if so, where and when?

Deputy K.C. Lewis of St. Saviour (The Minister for Transport and Technical Services):

I can confirm that in accordance with established States policy I am committed to providing increased car parking for shoppers. However, with regard to commuter parking, measures to support the S.T.P. (Sustainable Transport Policy) will result in a reducing demand for commuter parking. The masterplan was approved in June last year. I proposed in addition to the Ann Court housing development, private developments at Le Masurier, Bath Street; Jersey Brewery site, Ann Street; and the Jersey Gas site, Tunnel Street, would also be required to provide publically-accessible parking.

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

Is the Minister aware, as I am sure he is, that there are regularly 200 spaces free up at Pier Road? Knowing that, would he perhaps consider to help matters for the public, instead of moving all the States parking from the other parking which is Sand Street and Snow Hill, and have everyone parked up Pier Road?

Deputy K.C. Lewis:

The Deputy is quite correct, there is spare capacity at Pier Road. I think currently around 250 spaces are free daily. Sadly, it is not a popular car park but we are looking at several schemes to entice people up there. We are rolling out the A.N.P.R. (Automatic Number Plate Recognition) system in Sand Street Car Park which will make parking less problematic. That is something, all being well, we will continue on to Pier Road Car Park. We are looking at several initiatives to encourage people up there.

2.3.2 Deputy T.M. Pitman:

Would the Minister agree that perhaps one of the incentives could be some sort of fitness regime? Not all States Members are as beautifully trim as myself, so we could all be encouraged to walk up there.

Deputy K.C. Lewis:

I agree with the Deputy. I too park occasionally up at Pier Road but it is that hill that does put people off. We are looking at several ways of encouraging people up there.

The Deputy Bailiff:

That is more a question for the Minister for Health and Social Services, I think. Deputy Southern?

2.3.3 Deputy G.P. Southern:

What conversations has the Minister had with the Constable of St. Helier over the possible releasing of Parish-owned sites for parking as suitable venues within town?

Deputy K.C. Lewis:

I have had several discussions with the Constable of St. Helier and I am more than happy to have more to see where we can work together to ease the problem.

2.3.4 Deputy G.P. Southern:

Besides conversations, can we have some action on releasing Parish-owned sites for possible parking?

The Deputy Bailiff:

That is not a question for the Minister. It would be a question for the Parish. The Connétable of St. Helier?

2.3.5 The Connétable of St. Helier:

Perhaps the Minister could start by confirming that most Parish-owned car parks are indeed used for public parking. I would like to ask the Minister if he remembers that 2 years ago I drew to the attention of the Assembly when we debated the Transport Policy that hundreds of spaces in the ownership of States departments, particularly Harbours but also Housing and E.S.C. (Education, Sport and Culture) are used as cash cows by those departments and are leased out for private hire. I was given assurances in that debate that the department would be looking at ways of bringing back those privately-leased spaces into public use, particularly on the Albert Pier where there are spaces very close to Liberty Wharf that could be made use of for shoppers. Has any progress been made

on that front and, if not, will the Minister undertake to prioritise this because it could be a quick win for everybody?

Deputy K.C. Lewis:

I am more than happy to look at that again and discuss that with fellow Ministers. We have lost a substantial amount of parking of late with residents parking in town: the Town Park. So, I am more than happy to look wherever I can for additional parking.

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

It is good to come in after that answer. As I and the other 2 St. Helier No. 1 District Deputies were assured regarding the study of the new police station and the impact of how many parking spaces would be lost (and that if there was too much impact this would not go ahead), would the Minister for Transport and Technical Services inform the House of the impact? In answering the question, can he remember he is the Minister for Transport and Technical Services and not the roll-over Minister for Home Affairs?

Deputy K.C. Lewis:

The 91 spaces at Green Street plus any demand for the new police headquarters, which would be a maximum of 75, can be accommodated at Pier Road which has spare capacity of 250 long-stay parking spaces. I know this is undesirable for many people and, as said previously, we are looking closely at any options we can for further parking in town.

2.3.7 Deputy J.A. Martin:

Will the Minister not agree that before the police station was mooted to go there, the next development was Green Street Car Park and it would be on the site where the police station is, over another 250 spaces. The money was there. The plans were there. Why have we done the U-turn? Is he the Minister for Transport and Technical Services? Is he fighting his corner?

Deputy K.C. Lewis:

I am not quite sure where the Deputy is coming from with that one but I am not the sponsoring Minister for the police station; I am reacting to the situation as it is. We are looking for extra spaces wherever we can in the area to use for parking.

2.3.8 Deputy M. Tadier:

Will the Minister acknowledge the desirability or otherwise of motorcycles: that they are more efficient both in terms of emissions but, more germanely to this question, in terms of space usage on the street. If so, will the Minister give consideration in conjunction with the Constable of St. Helier to provide more on-street parking for motorcycles?

Deputy K.C. Lewis:

The Deputy makes an excellent point and it is something that T.T.S. (Transport and Technical Services) are actively pursuing: turning more spaces to motorcycle and 2-wheel parking.

2.3.9 Senator L.J. Farnham:

As the Minister knows, the creation of the Town Park has critically reduced the amount of parking in the north of town. The situation has been compounded by the fact that an extraordinarily large footpath has been built alongside the town park. The result is a further loss of parking causing a severe problem for businesses in the area. Would the Minister consider as a short-term measure allowing parking on the part of the footpath that will not be used by pedestrians?

Deputy K.C. Lewis:

The footpath I believe the Senator is referring to is Gas Place. I think that would come under the remit of the Constable of St. Helier, but I would not advocate parking on pavements; pavements are for pedestrians.

Senator L.J. Farnham:

Even if it is 12 feet wide?

The Deputy Bailiff:

You have had your answer. Deputy Young.

2.3.10 Deputy J.H. Young of St. Brelade:

Has the Minister considered intensifying the use of the Snow Hill Cut to increase the availability of town parking?

Deputy K.C. Lewis:

Yes, indeed, that has been looked at several times and several plans have been drawn up. There are quite a few constraints with the Snow Hill Cut; I believe it is listed, plus any additional floors put in there would need a very high ceiling because we need to get trucks into the cavern under Fort Regent. So it would not be cost effective, but my officers are looking at several schemes to improve parking at the Snow Hill Cut.

The Deputy Bailiff:

The Connétable of St. Peter, final question.

2.3.11 The Connétable of St. Peter:

Has the Minister considered the provision of secure area parking for things like electric cycles, which would encourage people from the northern parishes to come on bikes when they have hills to climb on the way back?

[10:00]

Deputy K.C. Lewis:

Yes, indeed. This is something my department has looked at several times and it is still in the feasibility stage, complete with charging points for small electric cycles.

The Deputy Bailiff:

Final supplementary?

Deputy R.J. Rondel:

I did not realise this question would spark such debate but I will leave it at that.

The Deputy Bailiff:

Very well, we come to question 4 which Deputy Young will ask of the Minister for Planning and Environment.

2.4 Deputy J.H. Young of the Minister for Planning and Environment regarding high density urbanized redevelopment of properties within small built-up areas identified in the Island Plan 2002:

Will the Minister advise the Assembly whether the policies of the Island Plan 2011 discourage or encourage the high density urbanised redevelopment of the properties located within the 16 small built-up areas which were previously identified in the Island Plan 2002 (8 of which are in St.

Brelade) which were previously considered to be suitable only for small-scale infill development to minimise the impact of development on the wider countryside?

Deputy R.C. Duhamel of St. Saviour (The Minister for Planning and Environment):

The policies of the Island Plan 2011 do not encourage the high density urbanised redevelopment of properties located within the 16 small built-up areas previously identified in the Island Plan 2002, which includes, for example, areas such as Petit Port Close, Le Clos de l'Atlantique and Parc de l'Oeillere in St. Brelade. The 2011 Island Plan, however, recognises that we need to make wise and efficient use of the land that is already developed, which includes all sites within defined built-up areas throughout the Island, including St. Brelade. The plan seeks to promote a more sustainable pattern of development for Jersey and is based on a strategy that meets the Island's development needs from within the existing built-up area. The alternative to this, which has been rejected by the Assembly, is to build on greenfield land to meet our development needs. The policies of the new Island Plan, therefore, seek to ensure that the highest reasonable density is achieved for all new development.

2.4.1 Deputy J.H. Young:

I thank the Minister for his assurance that they do not encourage the high density but I ask him to clarify whether development of the highest reasonable density means that we are at risk of overdeveloping these areas in order to save greenfield elsewhere. Could he please clarify whether that is the understanding of his answer?

Deputy R.C. Duhamel:

That interpretation is not the interpretation that should be placed on my answer. I go on. The provision of the highest reasonable density of development is not an overriding consideration. A new development in those areas, as elsewhere, needs to be commensurate with good design and must include as part of a balanced decision-making process consideration of all material factors such as the provision of adequate amenity space and parking, the impact upon neighbouring uses and the relationship, importantly, of the development upon its physical context, including its landscape setting and the predominant character of the surrounding area. All of these factors are set out in the policy regime provided in the new Island Plan, specifically policy GD3, Density of Development.

2.4.2 Deputy M. Tadier:

The Minister said that the plan does not encourage high density urbanised redevelopment but does he acknowledge that perhaps it encourages urbanisation by stealth? Will he also comment on the fact that at Petit Port we have seen 2 recent developments which have been given planning permission which are not simply in the built-up area but which encroach into the green area, and another 2 which are in the National Park zone?

Deputy R.C. Duhamel:

Specifically, the 16 areas that were referred to in the 2002 Plan were reviewed by Professor McCausland, and a part of that review suggested that one of the things that the plan had particularly provided badly was that there had been sporadic development which had broken out across the Island. By "sporadic development" he meant that there had been a pepper-potting of urban-style housing estates in green open countryside areas. The plan and the policy that have been endorsed by this House are very clear: we are not seeking to encourage an urban style-high-rise kind of development on such areas because that style of development would be out of context specifically with the backdrop of the areas. Indeed, by doing that, not encouraging is also not discouraging. All planning issues have to be weighed-up and balanced against the policy considerations that the department and the officers and the Minister works to. That is what we will do.

2.4.3 Connétable S.W. Pallett of St. Brelade:

Does the Minister consider the recent approved application of Petit Port Close, which is one of the 16 sites mentioned, a small-scale infill, and does he consider that it will not impact on the wider countryside?

Deputy R.C. Duhamel:

It is not right for the Minister for Planning and Environment to pass a comment on decisions that have been made by his applications panel or indeed to pick out specific references to particular applications that may be coming back to the Minister for further reconsideration.

2.4.4 Deputy J.H. Young:

I thank the Minister for his answers but would the Minister agree that the complexities of the policy which had been adopted in 2001 (he has explained the references to GD1 policies and so on, which are designed to avoid overdevelopment) do require a relook at the planning guidance that he gives so that we can avoid mistakes and overdevelopment happening in these areas? Will he commit to having a detailed look at that, please?

Deputy R.C. Duhamel:

I am in absolute agreement with the Deputy. Within the Island Plan at 1.17 it states: “The Minister for Planning and Environment will develop and issue new supplementary planning guidance to inform the application of minimum density standards,” which indeed is the thrust of the policy of GD3. It is my full intention, as has been reported to the Deputy as part of the Scrutiny process, and in this House, that a whole host of supplementary planning guidance notes are being developed as fast as we are able to do so in order to flesh out the proposals and propositions that this House has supported within the Island Plan.

The Deputy Bailiff:

We come now to question 5 which Deputy Trevor Pitman will ask of The Minister for Home Affairs.

2.5 Deputy T.M. Pitman of the Minister for Home Affairs regarding the resources of the States of Jersey Police to deal with ‘cyber-crime’:

Are the States of Jersey Police resourced in the same standard as forces in the U.K. in terms of training in software to deal with so-called cyber crime? I have to say that it would have been more helpful if I had had it on anonymous Internet bullying.

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

This is quite difficult question to answer because cyber-crime covers a wide area of crime, from paedophilia to financial crime to cyber-bullying. Different police forces prioritise such crimes in different ways, depending upon the perceived threat in their area. Jersey, of course, unlike U.K. mainland police forces, has to respond to the full range of policing threats and issues and does not have the immediate assistance of neighbouring forces or of a serious and organised crime agency. Jersey has built up a combination of expertise in various different parts of the force; in the Hi-tech Crime Unit, in the force Intelligence Bureau and in the Financial Crimes Unit. In addition to this, they have links with other forces and with expert support agencies in the U.K. and there is a continuing training and personal development programme for officers. The majority of current complaints are still managed and dealt with locally. I am, therefore, satisfied that the current level of capacity is sufficient to respond to such crimes.

2.5.1 Deputy T.M. Pitman:

I thank the Minister for his answer. I know the Minister did not see it because I asked him, but there was a BBC (British Broadcasting Corporation) documentary on the very issue last night pointing out that vulnerable people and children the world over have ended up taking their own lives due to this. Given the limitations the Minister has acknowledged, could he shed any encouragement on the fact why infamous Internet trials in Jersey, perhaps like Mr. John Howarth who was convicted in the courts and was a notorious bully on the Internet with many complaints made and yet the police were never able to pin this on him, is he really happy that that expertise is there?

Senator B.I. Le Marquand:

Of course, I am never going to comment in relation to individual cases, certainly not in relation to individual potential suspects, that would be quite wrong of me. This area is an area I believe which does not normally require the level of sophisticated analysis of other issues, but it does pose particular difficulties. One person's robust debate is another person's cyber-bullying and there is always a need to balance freedom of speech and criminality. Now, of course the criminal law - particularly the law on harassment - seeks to do that, but these matters are not without their difficulties.

2.5.2 Deputy J.A. Martin:

Could the Minister tell the Assembly whether there is enough legislation time in his department for the law to catch up with whoever is abusing it? It seems we are very far behind America. I know the world is moving on very quickly but I do feel, even if cases are proved, would the Minister agree, our law is very light on what they can do with people?

Senator B.I. Le Marquand:

I am afraid the questioning has now gone into such a detailed area, a subsection of the very wide question, that I really am not in a position to answer that question. If the Deputy would like to approach me, I will approach the police and see if they think that there are issues. I just could not possibly have prepared that level of detail.

The Deputy Bailiff:

If the question is about resources, I think it is too wide. A final supplementary, Deputy Trevor Pitman?

2.5.3 Deputy T.M. Pitman:

Deputy Martin raises a good point about can the law catch up. I have to say that I have been one of those who has been subjected to this and I have to say to the Minister there is a difference between firm political debate - because you put your name to that - and anonymous threats. I was told by the police: "Nothing we can do. Take out a civil action." Is that really good enough when, as we have seen, I am a strong person but vulnerable people and children have ended up dying as a result of this.

Senator B.I. Le Marquand:

I think it is a very difficult issue as to which matters have entered the levels of criminality and which matters are a matter for civil action in such cases, particularly in areas of the law of libel and so on. Frankly, the police have to make those difficult decisions in individual cases. Those are operational matters. I am content to leave them to the police to decide.

2.5.4 Deputy T.M. Pitman:

Sorry, but could I ask for clarity because if matters even like threats of violence is a civil matter, then I will just use a large bit of 2 by 4 and deal with it myself.

Senator B.I. Le Marquand:

It depends upon the nature of the particular matter. If it is serious threats of violence or something of that nature obviously that is more serious than if it is just general rudeness and abuse. As I say, the police have to look at these matters on an individual case to determine the appropriate action in terms of investigation and potential prosecution.

The Deputy Bailiff:

We come now to question 6. The Connétable has managed to slip through the Greffier with 4 questions in one oral question.

2.6 Connétable M. Le Troquer of St. Martin of the Minister for Home Affairs regarding

Will the Minister advise whether suspected illegal drugs are sent to the United Kingdom for forensic analysis? If so, why is this the case when we have a fully equipped laboratory in Jersey? How much does the U.K. service cost annually and what action is he taking to prevent delays in receiving forensic results recently identified in the Magistrates Court following a seizure back in July 2011?

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

I can assure the Connétable that there are currently only 2 cases in which drugs or drug-related materials are sent to the U.K. for analysis. The first is in relation to batch composition. That is where it is an important part of the evidence to establish where the origins were of a particular batch. Then, therefore, you have to have a wider testing regime which can say: "Well that originated in Scunthorpe" or wherever. The second area is D.N.A. (deoxyribonucleic acid) profiling on packaging, which of course is not strictly drug testing at all but is related. There were 2 such cases of materials being sent to the U.K. in 2011 for batch-testing-related matters and, indeed, for D.N.A. profiling with 3 items. The cost was approximately £2,425 for the drugs testing. However, in the particular case raised by the Connétable (he has kindly indicated to my staff which case it was) there were not delays resulting from drugs testing; indeed, the drugs testing was available within 5 days of the seizure. The delays in relation to forensics were related to matters said to do with a telephone and testing which did require expertise outside of the Island in that particular case. So the judgment may give the impression it was the drugs but was not, it was another issue.

The Deputy Bailiff:

Very well, we come on to question 7 which Deputy Tadier will ask of the Attorney General.

2.7 Deputy M. Tadier of H.M. Attorney General regarding the reconsideration of decisions made by a Minister's predecessor:

Would the Attorney General confirm that when a Minister has made a discretionary decision, and it then emerges that the decision was unlawful or was procedurally unfair, the Minister's successor is able to reconsider the decision in question?

[10:15]

Mr. T.J. Le Cocq Q.C., H.M. Attorney General:

I am assuming that the kind of discretionary decision to which the question refers is a decision of the Minister that affects the rights of a member of the public, such as for example, the determination of an application under planning legislation. In general terms, if such a decision of a

Minister has been overturned by a court on the grounds that it was unlawful or procedurally unfair, and the matter has been remitted by the court to the Minister for consideration, then that Minister or his successor takes that decision afresh.

2.7.1 Deputy M. Tadier:

That is useful and it is a possible context. Another context would be, for example, where a civil servant has been suspended and it has been revealed that that was done on unsuitable grounds. So in that context, for example, would it also be possible for a successor of a Minister to be able to review that and say: "That decision was wrong, that suspension should never have taken place?"

The Attorney General:

It is difficult to give a definitive answer to that question without understanding the context a little bit better. Generally speaking, when an individual is suspended there is an obligation to review that suspension on a regular basis from time to time and not simply to let it remain running indefinitely. In those circumstances, when the review takes place then the Minister who conducts that review takes all the appropriate things into account.

2.7.2 Deputy T.M. Pitman:

I think this question might well have arisen from a question asked by a member of the public about the suspension of the former Police Chief. Given the Attorney General's answer, with due respect, could he not have saved time and money of us debating this if he had answered the member of the public?

The Attorney General:

I am afraid I would have to ask the Deputy to clarify what communication from a member of the public he is discussing in these circumstances. I do not think it would necessarily be appropriate for me to discuss whatever communications I might have had with members of the public.

2.7.3 Deputy T.M. Pitman:

To explain, I think most of us were copied into an email from Mr. Sorda, a member of the public, around the Chief of Police, so, I think the public have a right to know. If the Attorney General had an answer, all I am saying is he could have given it to the member of the public. It would have saved time.

The Attorney General:

If the question is: should I have given an answer to a member of the public, in my opinion, it is not appropriate for me to answer members of the public on matters such as this. The form of the question that was posed to me were matters which were clearly covered by legal professional privilege and which I should not have answered.

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

Could the Attorney General advise us that, as Ministers are corporations sole, if one Minister leaves and another one comes, does the subsequent Minister have the power to review any decisions his predecessor made and can he change the decisions, in the same way one States cannot bind another States?

The Attorney General:

In my opinion, that would very much depend upon the nature of the decision and the statutory context in which the decision has been taken. For example, under the Planning and Building (Jersey) Law 2002 there are circumstances in which it is possible to change and review a decision. Those are set out in statute and sometimes give rise to claims for compensation which must be met

by the person who is subject to the changed decision. Generally speaking, when a Minister takes a decision which deals with the disposal of the rights of an individual Member of the public, then that decision is binding until it is changed by a court of law. There are other kinds of decisions which of course a Minister can review and change: policy decisions, other decisions relating to the internal workings of a department and things of that nature.

2.7.5 Deputy J.H. Young:

Would the Attorney General agree that the complexities of the law that he has outlined in dealing with discretion would be helped if the States had available to it an Ombudsman in order to examine such issues?

The Attorney General:

I think that may be going rather far over the edge of the parameters of the original question and I do not think I should ...

The Deputy Bailiff:

I will call you to a halt because I do not think that is your responsibility, in any event. Final question, Deputy Tadier?

2.7.6 Deputy M. Tadier:

I thank the Attorney General for that response. I think it has been useful. To seek further clarification, could he confirm that it would be completely unreasonable for a Minister to give a blanket assurance that he could not review a previous decision from another Minister because that Minister was a corporation sole and that it does depend on the context of the question being asked?

The Attorney General:

As I have mentioned, the ability of a Minister to review a decision of his predecessor depends very much upon the statutory context in which the original decision was made and whether it has vested rights in an individual. I do not think I can add to my previous answer, I am afraid.

The Deputy Bailiff:

We will now come to question 8 which Deputy Le Hérissier will ask of the Chief Minister.

2.8 Deputy R.G. Le Hérissier of St. Saviour of the Chief Minister regarding the compatibility of work and/or residence permits with Protocol 3:

Would the Chief Minister inform Members whether the introduction of work and/or residence permits is specifically outlawed by Protocol 3?

Senator I.J. Gorst (The Chief Minister):

I would like to ask my Assistant Minister, with responsibility for the Migration Advisory Group, to act as rapporteur in answering this question.

Senator P.F. Routier (Assistant Chief Minister - rapporteur):

In principle, the introduction of work permits would be compatible with the Island's obligations under Protocol 3, provided that the scheme applies equally to all E.U. (European Union) nationals. However, British nationals have a right of abode in Jersey under the Immigration Act of 1971, as extended to Jersey. Under section 7 of the Immigration Act of 1988 as extended to Jersey, a person who is not a British national does not require leave to enter or remain in Jersey in circumstances in which he or she would be entitled to enter or remain in the United Kingdom. That is by virtue of an enforceable community right. Accordingly, a comprehensive system of residence permits is

unlikely to be compatible, either with the provisions of the Immigration Act 1971 or with Jersey's Protocol 3 obligations.

2.8.1 Deputy R.G. Le Hérissier:

Could the Assistant Minister clarify: are there any other jurisdictions, which are related in the same way as we are to the European Union, which are using work and residence permits?

Senator P.F. Routier:

Yes. I am aware of the Isle of Man does have a system of work permits. It is not a comprehensive system but they do have a system of work permits, but they do not have anything relating to residence.

2.8.2 Deputy J.A. Martin:

It would probably cover many laws. Given the judgment in the High Court last week that we are not protected under the E.U. tax law, I asked many years... 2 Chief Ministers ago, to really look into where we stand with foreign nationals who are now in the E.U. just coming to Jersey, given the size of the Island. So if we do not come under one law, will somebody do some serious work and look under what loophole we can to protect the Island?

Senator P.F. Routier:

To answer the question fully would be beyond my remit but certainly I can ask for advice on that topic.

2.8.3 Deputy G.P. Southern:

The Minister for Economic Development recently gave evidence to a Corporate Services Scrutiny Panel suggesting that the new Regulation of Undertakings and Development Law, which is being worked on currently, would give the States more control. Can the Assistant Minister explain how the new Regulation of Undertakings and Development Law will give Ministers more control over the population?

Senator P.F. Routier:

I think the Deputy is referring to the Control of Housing and Work legislation, which this House has approved. Members will be aware that legislation which we approve does give additional compliance powers within the legislation. We also will have the ability to monitor the population far better with the population register as well, and there are also other provisions which allow for the licences given to businesses to be reviewed on a regular basis as the circumstances and economic conditions change, as we have seen in recent times. We will have the ability to call in licences to review them. In fact, we have been reviewing licences when they have been coming up and retracting on some of the non-local licences which are out there. That has been happening on a regular basis. We are doing it now.

2.8.4 Senator S.C. Ferguson:

It has been said anecdotally that we can apply any restrictions that we like provided we apply them across the board to everybody. This was from a very reputable source. Would the Minister undertake to investigate these and come back to this House with answer?

Senator P.F. Routier:

Members will be aware that we have this new legislation which is due to come in in the next few months. I do give an undertaking that, once the legislation is in and settling down, that we will review the workings of that to see if there are any adjustments that need to be made to that legislation, to see how it is working. I think we are all trying to aim for a similar outcome for our

legislation that we have the right level of population for our Island for us to achieve what we want to achieve. So, I think Members are requesting things of us that we are all trying to achieve so hopefully I can assure the Senator that we will review things as we go along.

2.8.5 Deputy C.F. Labey of Grouville:

Would the Senator not agree that the legislation that we have coming into place is going to monitor the population and is a far cry from controlling it. Guernsey have, it seems, better controls than we have. Will he not undertake, as Deputy Martin suggested, that there is a serious job of work to be done to put in controls, and the job of work has to be put in place and it has to be done urgently?

Senator P.F. Routier:

The Deputy suggests that the new legislation is just going to monitor. It goes further than that. Because of the information that will be gathered, when the Minister is being asked by a business or an individual for a licence to either come into the Island or to set up a business, the information we have will be far stronger than we currently have. I have to say, we are currently flying blind to a certain extent and that has been the case for a number of years. With this new legislation and the population register we will have the information at our finger tips to be able to make the correct decisions about whether somebody is allowed to establish a business or not and whether somebody is allowed to come to the Island. Guernsey are just finishing their consultation period and coming forward with their legislation. They are taking a different approach: they are introducing a system of work permits, but they are still retaining their open market. The open markets for people to be able to just come into the Island, buy a house and move in, will still be there. So it is horses for courses. We have made a decision about how we were going to operate our system and I believe what we have is far better than what we currently have and we will obviously monitor it as ...

The Deputy Bailiff:

Thank you. We have to be crisp in our answers, and it has been going on for about 2 minutes.

2.8.6 Deputy M.R. Higgins:

I had difficulty hearing the answer of the Assistant Minister earlier. Could he just clarify the position: instead of just mixing residency rules and work permits, what is preventing him from introducing work permits at the present time? What exactly are the things that would prevent you doing it?

Senator P.F. Routier:

There have been many debates on this in recent years. The States did not want to go down the rather expensive route where it takes a lot of manpower to administer a work permit system. That has been a decision that has been made several times by this House. Legally, as I said in my opening answer, there is nothing under Protocol 3 that would stop us having work permits, but the decision has been made by this House several times that that is not the way that we want to go because of the cost of it and because of the manpower requirements.

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

Will there be an ability under the new legislation to put in place regulations requiring work permits should this Assembly wish to do so in future?

Senator P.F. Routier:

As you know, we can bring forward legislation that suits our needs at any time. If this House was to change its mind from what we currently have, that is quite possible.

The Deputy Bailiff:

Deputy Hilton.

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

Deputy Higgins asked a similar question. Thank you, Sir.

[10:30]

2.8.9 Deputy J.A. Martin:

Yes. As for “horses for courses”, will the Minister not agree that what we have is another piece of legislation that can only shut the door after the horse has bolted, and that is what we are doing. **[Approbation]** That is why they changed the name of the piece of legislation (it used to be called the Immigration Policy) realising that it is not going to work. I really want a categorical assurance that we now stop worrying about offending the U.K. Government and have a good look at where we can and will do against ... even if it is the U.K, and I am from the U.K. myself, if I was told I could not come here 27 years ago I would not have been able to come here. We need to look now and stop waiting and be reactive. We have to be proactive. Will the Minister push his Chief Minister to do this piece of work?

Senator P.F. Routier:

I thank the Deputy for a very forceful question. We have to recognise that if we put in place, for instance, border controls, we will face border controls going outside the Island ourselves and whether we want to go down that route is a different matter. But as far as our existing relationship with Protocol 3 is concerned, we are tied by that currently. I will ask the Law Officers to do a review of how far we can push that, I am quite happy to do that. I fully appreciate why Members and the public are getting very anxious about this issue of population and the unemployment level that we have in the Island. Certainly, we are doing everything we possibly can with our current decision-making, because we have decisions on a weekly basis. People are coming to us asking us to employ people whether they are local or non-local and we are saying that we are being very tight and not ...

The Deputy Bailiff:

Senator, please be precise in your answers. You were asked would you press the Chief Minister to make some objections.

Senator P.F. Routier:

I will ask the Chief Minister to ask for legal advice, certainly.

2.8.10 Deputy S. Power:

Does the Assistant Minister not agree with me that it is entirely inappropriate to compare the open market housing situation in Guernsey for high-net-worth individuals to the situation in Jersey where Census Bulletin No. 2 says that the spike in the immigration rate on this Island is strictly coming from Eastern Europe, and that spike is over 5,000 people. Would he not agree with me?

Senator P.F. Routier:

I am afraid I cannot agree with the Deputy because his understanding of how the open market works in Guernsey is incorrect because the open market is available to all levels of people coming to the Island and because, in practice, what happens is a number of people get together and buy a house and share a house and that is the practice that is happening. The open house situation applies to the lodging houses and is a system we have here, and the door is open to people to come into the Island.

2.8.11 Deputy R.G. Le Hérissier:

Would the Assistant Minister not agree with all the assurances we were given that work permits are best suited to times of economic recession? Those were the reasons why we did not initially vote for work permits. The time is upon us. Would he not agree that we need tighter controls and the policy of controlling work in the 2000s basically has led counter-intuitively to a mass of permanent immigration and totally been against the policies we were misled into believing?

Senator P.F. Routier:

Obviously, when times change and circumstances change, we need to change the way we operate and I do not know if I am able but I want to reassure Members that we are using our existing laws in a totally different way to what was happening in 2000 when this law first came in. The new legislation is tighter and we are reacting, I hope, in a positive way. We will review it, certainly. We will review the legislation as time goes by.

Deputy T.M. Pitman:

I do not know if it is a point of order or just seeking clarity. I did have my light on but the Minister seemed to say to one Member that we were not bound by Protocol 3 at all and to another Member he said that we were. Which is it because I am sure other Members do not know.

The Deputy Bailiff:

I did not hear that and no doubt Hansard will make it clear in due course.

2.9 Deputy M. Tadier of the Chief Minister regarding a review of legal fees and the legal aid system:

Would the Chief Minister, given his responsibility for the Legislation Advisory Panel, advise whether he supports a review of legal fees and the legal aid system to ensure that a fair and functioning criminal justice system spoken about in the 2009 Strategic Plan will be fulfilled?

Senator I.J. Gorst (The Chief Minister):

Fair access to the legal system and legal services is a key principle in any society. The previous Chief Minister met with representatives from the Jersey Law Society late last year to discuss, in particular, the Island's legal aid system. Legal fees and legal aid have been considered over many years. Both issues remain on my to-do list and will be considered in due course.

2.9.1 Deputy M. Tadier:

Of course, the quote was from the Strategic Plan but a fair and functioning judicial system and access to the law also applies to civil cases and I think that is often a case which is often unaffordable for many, even if they are receiving legal aid. Would the Minister appreciate a little bit of help by putting the priority of this to-do list item perhaps forward somewhat and support a proposition to establish either a review or an investigation into the issues that are pertinent to Islanders who cannot afford or cannot obtain adequate access to legal representation?

Senator I.J. Gorst:

I think as I tried to say in my answer (perhaps I was too subtle) that this is an issue which has been reviewed over many, many years. There has not, to this point, been an easy answer. It is something that I am aware needs to be addressed. It is something that I was informed was sitting in my in tray when I came into office. I have had brief conversations with the Bâtonnier and she also desires to see movement on this issue during her term of office, which coincidentally coincides roughly with mine. Therefore there is now or will be on behalf of the legal profession, certainly on behalf of myself... but let us not believe that there is an easy answer because ultimately if it is to change, there will be a requirement for funding to come from somewhere.

2.9.2 Deputy M.R. Higgins:

I would ask the Chief Minister if he will state his personal position on this matter. Do you believe that legal costs are too high in this Island and are depriving ordinary Islanders from getting redress to many pressing matters? Do you think legal fees are too expensive and should be revised?

Senator I.J. Gorst:

I am not sure that my personal belief in this matter bears much relation to the issue. Anecdotal evidence suggests that some individuals in our community are struggling to access legal services and the legal system and therefore it is appropriate that it is reviewed and that we come forward with a solution. Of course, we know that there are many who use lawyers and legal services every day of their working lives, so it is trying to create that balance.

2.9.3 Deputy T.M. Pitman:

Following on from Deputy Higgins, is the Chief Minister aware that ... I certainly know of cases where people have literally given up on seeking justice because all the persons they are trying to take to court have deep pockets so they will just roll out the process one year, 2 years, 3 years, and that way an ordinary person just cannot afford it, as has been said.

Senator I.J. Gorst:

As I said, I am aware there are anecdotal instances where people are struggling to access legal services in our community.

2.9.4 Deputy T.A. Vallois:

I have been advised that the legal aid system is coming under a lot of pressure more recently and that it is becoming unsustainable with the current system in place. It is fine for the Chief Minister to state that he is going to review, like we regularly hear from Ministers, but will he establish a timeline as to when this will be resolved?

Senator I.J. Gorst:

I am not in a position to do so. It is many years that these issues have been considered and reviewed. As I said in my first or second answer, I have a pile of paperwork with regard to this which I must first consider before I am able to put in place or give confidence about a timeline for resolving. But what I would say as a caveat is I am committed to moving this issue forward and, I hope, resolving it during my term of office but is not going to be easy. There are no easy answers and there is no easy access to money with which to resolve it.

2.9.5 Deputy J.H. Young:

Given the longstanding nature of this problem, the fact that other jurisdictions have had systems in place, including our sister islands for many years, and the injustices that exist, would the Chief Minister not agree first of all to publish an interim report on the basis of the discussions where we are so we can have information available as to what the issues are to help the debate. Secondly, would he consider putting it into his Strategic Plan so that we can at least have a target to work towards to rectify this situation?

Senator I.J. Gorst:

I will indeed consider publishing an interim report, if that is appropriate. As I say, there is a lot of work to review and I would need to do that prior to any such publication. The Member is probably aware that the Council of Ministers has endeavoured to bring forward 6 big priorities as part of their Strategic Plan and I hope that this States Assembly is going to approve those 6 priorities as areas that we must work on and we must deliver on during the course of the next 3 years. As I have said, I am committed to trying also to resolve this issue but if we start amending the Strategic Plan

to bring forward, let us say, 101 issues which we need to address, I fear that we will set ourselves up to fail once again and none of the issues that we wish to see addressed will be.

2.9.6 Senator S.C. Ferguson:

Under the basic laws of economics, if you increase the supply then prices will fall. Given the ever-increasing number of lawyers in the Island, is it not time for the J.C.R.A. (Jersey Competition Regulatory Authority) to investigate the question of fees?

Senator I.J. Gorst:

I enjoy the subject of economics as much as the next man or woman. However, perhaps the Senator quite aptly proves in her answer that those laws do not always ring true because, as you will be aware, during the period that we are talking about, the number of Jersey lawyers has increased and yet I am not certain that their fees have commensurately decreased in relationship to the number of Jersey lawyers.

Senator S.C. Ferguson:

Exactly; that is the very point I was making. If they are not following the laws of economics, perhaps the J.C.R.A. should investigate to find out what this wonderful process they have got is.

The Deputy Bailiff:

I am not sure that the questions to the J.C.R.A. are a matter for the Chief Minister, they are really a matter for the Minister for Economic Development. No doubt he will have been listening to what the questioner has said.

2.9.7 Deputy M. Tadier:

I am surprised with Senator Ferguson. She realised that free market economics only work in a free market, not when there is a closed shop of Jersey advocates that other people cannot access so the rules do not apply. [Aside] Finally, I am grateful to the Chief Minister that he has acknowledged that there is a problem and that it is on his to-do list, but will the Chief Minister acknowledge that while he is obviously a very clever chap, he does not have the monopoly of answers or knowledge on this issue and that he should be issuing first of all a summary of what he knows so far and consider issuing a White Paper very urgently so that Members of this Assembly and members of the public who also have knowledge to share on resolving this issue should be able to contribute in the immediate future.

Senator I.J. Gorst:

I fear that if I were to issue a paper on what I know so far, it would be very short indeed. As I have already said, I have a mountain of paperwork to review and once I have done that, I will consider the appropriateness of issuing an interim report and paper in due course.

2.10 Deputy T.M. Pitman of the Chairman of the Privileges and Procedures Committee regarding the democratic deficit in relation to representation in the Assembly between heavily populated and less populated Parishes:

Given that a democratic deficit exists in relation to representation in the Assembly between heavily populated and less populated Parishes what steps, if any, does the committee believe can be taken to ensure that the issue of under-representation is fully addressed by the committee and its sub-committees in co-operation with the Electoral Commission?

[10:45]

The Connétable of St. Helier (The Chairman of the Privileges and Procedures Committee):

The Privileges and Procedures Committee is grateful to Deputy Pitman for highlighting one of the anomalies of the current electoral system, but the issue falls directly within the remit of the Electoral Commission. P.P.C. (Privileges and Procedures Committee) hopes that all Members will engage actively with the Commission once it begins its work so that the Commission is able to bring forward acceptable recommendations in due course that will address this matter and any other difficulties with the current structure of the States. Now that the States has agreed to establish an Electoral Commission, it would clearly be inappropriate duplication of work for P.P.C. or any of its sub-committees to look at the issue.

2.10.1 Deputy T.M. Pitman:

I was in Westminster last week and took the opportunity to meet with several U.K. M.P.s (Members of Parliament) and it was quite obvious that already our Electoral Commission has got no credibility whatsoever because of the makeup of it. So given that and what the Chairman has said, is there not a need for P.P.C. to try and guarantee that this Electoral Commission at least works to proper international standards so we cannot have these huge discrepancies? Surely, with due respect, that is part of the role of P.P.C.?

The Connétable of St. Helier:

The Electoral Commission, as Members will know, has been debated recently and the terms of reference approved by a large majority, and they include investigating constituencies and mandates and it seems to me that that work is now going to happen. Really, it is a matter of time to see whether it delivers what the Deputy is seeking but the States has made a decision and the work is going to be done.

2.10.2 Deputy T.M. Pitman:

I do not think a gap of 3 is a large majority, which is what we decided in having politicians on it. So could the Chairman of P.P.C. advise the House what recourse we have, other than making submissions to the Electoral Commission, to try and ensure we do have international standards because you cannot have this proportion by keeping the Constables in, I am afraid; and that is not personal.

The Connétable of St. Helier:

Far be it from me to prejudge the outcome of the Electoral Commission's work. I believe we must just let it do its work and again I would encourage the Deputy and any other Members to give it a chance to succeed.

2.11 Deputy G.P. Southern of the Minister for Treasury and Resources regarding the use of Personal Service Companies and Employee Benefit Trusts to avoid tax:

Following revelations in the U.K. over the use of personal service companies and employee benefit trusts to avoid tax, will the Minister inform Members of the extent to which P.S.C.s (personal service companies) have been used by States departments or agencies to deliver services and whether the use of E.B.T.s (employee benefit trusts) is covered by Article 134A of the Income Tax (Jersey) Law 1961?

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

I should first of all start by reconfirming that the Minister for Treasury and Resources is not entitled to have any knowledge about the individual tax affairs of any individuals and my Assistant Minister and I never discuss, of course - as Members would understand - any individual taxpayers. However, upon advice, I can say to the best of my knowledge that the States has not used P.S.C.s to

deliver services for permanent employees. Under Article 134A, the general anti-avoidance rule (interestingly, we may well see the creation of such a rule in the U.K. in tomorrow's budget) can in Jersey be used in any circumstances where it can be shown that the main purpose or one of the main purposes of a transaction is the avoidance or reduction of a tax liability. Therefore, if an E.B.T. or indeed a P.S.C. is used in a transaction, then I am advised by the Comptroller's Department that the purpose of Article 134A could be applied.

2.11.1 Deputy G.P. Southern:

Is the Minister aware of whether the use of E.B.T.s, in particular in the private sector to pay bonuses or dividends, is common practice?

Senator P.F.C. Ozouf:

I am aware that E.B.T.s are commonly used to provide incentive schemes for staff rather than individuals structuring their own employee affairs, so it is likely that structures would be used in this circumstance, but I think that is a different point than the service companies. E.B.T.s are commonly used in order to provide incentives and bonus structures for employees and, indeed, Jersey structures them on behalf of a number of international organisations.

2.11.2 Deputy G.P. Southern:

Does the use of E.B.T.s in particular produce a drop in tax revenue to the States?

Senator P.F.C. Ozouf:

It depends on the circumstances but many E.B.T.s and, indeed, P.S.C.s are used for entirely legitimate and commercial reasons. Somebody could be engaged by the States to provide services that may, for example, have a number of clients and to do so, they may choose to provide those services through a personal service company. The same may apply to short-term contracts, as is often the case for temporary workers, so there are perfectly legitimate ways. Indeed, many of the discussions about the use of personal service companies in the U.K. are to circumvent and navigate around National Insurance contributions. In Jersey, we not only have the G.A.A.R. (General Anti-Avoidance Rule), the general anti-avoidance mechanism, but also Social Security has arrangements in place that they are able to deal with those issues. So I am not immediately aware of any concerns of any inappropriate use of them. If we are aware of them, of course, we will act as we always do.

2.11.3 Deputy G.P. Southern:

Finally, could the Minister inform Members how often Article 134A has been used in 2011 and to what extent has it stopped leakage of tax?

Senator P.F.C. Ozouf:

I normally pride myself on having an encyclopaedic knowledge of my department and can normally answer anything. This is not Questions without notice. I have not got an up-to-date comment. All I know is that I note with great interest that the U.K. Chancellor is reported to be bringing in a genuine anti-avoidance piece of legislation. I am going to look with interest to see whether or not that is another example where other countries are following Jersey's lead in providing what is effective and, indeed, stamp avoidance duty is another thing we are going to see tomorrow. So, clearly, small does not necessarily mean poor legislation and other countries sometimes have good examples from Jersey to show itself as being a good, reputable jurisdiction.

Deputy G.P. Southern:

Will the Minister supply the information that I requested?

The Deputy Bailiff:

Deputy, you have had 4 goes. You can have a final go in a moment. Deputy Higgins?

2.11.4 Deputy M.R. Higgins:

As it happens, Deputy Southern asked the very last question, the one that I was going to ask, so I will ask his: will the Minister provide that information to the House? How many people have been caught under this anti-avoidance measure?

Senator P.F.C. Ozouf:

I will endeavour to do that but I have not got that information before me. All I know is that the fact is that the general anti-avoidance mechanism is regularly used and is seen as a deterrent and is one of the reasons why we enjoy such a high level of tax collection and why I state again publicly my congratulations to the well-performing Income Tax Department and all the work they do with collecting tax that is due.

2.11.5 Deputy M. Tadier:

This may be wide of the mark. I think it is relevant, but I will no doubt be advised if it is not: the Minister did speak of the stamp duty which will be announced today or tomorrow in the U.K. budget. Can the Minister talk about what kind of impact that may have on Jersey if, indeed, the U.K. do move to remove the stamp duty? What kind of impact will that have on Jersey businesses?

Senator P.F.C. Ozouf:

Obviously, there have been some press reports (of which Jersey has been one of a number of jurisdictions) where structures for high-net-worth individuals buying property, particularly in Central London, have been used. I do not criticise that activity here. It is up to the U.K. just as it is this Assembly's obligation to protect our tax revenues. The U.K. Parliament is able to do exactly the same with their tax revenues and Jersey companies, of course, will comply with those obligations and it will have an effect on some offshore territories. I note with interest it is other territories which are the dominant users of that but they should not be criticised for it. The U.K. is doing also the right thing in protecting its tax revenues.

2.11.6 Senator S.C. Ferguson:

Just a peripheral matter perhaps, but the Senator no doubt is aware that Article 134A was lifted from the New Zealand Tax Law when the Jersey Tax Law was revised in 1961.

Senator P.F.C. Ozouf:

I also note with interest that this morning the New Zealand Parliament has issued some new guidance of setting up an external body to monitor their budget arrangements. It looks like New Zealand, on this occasion, has followed Jersey in relation to setting up an F.P.P. (Fiscal Policy Panel) so clearly we can learn from each other.

2.12 Deputy S. Power of the Minister for Housing regarding the conditions of States accommodation:

Would the Minister for Housing agree with me that recent reports regarding the possible 20 per cent increase in States rents alongside descriptions of the conditions (some accommodation is appalling) undermined the excellent work of the team at the Housing Department and ignored all the high standards of over 75 per cent, and maybe even 80 per cent, of States accommodation?

Deputy A.K.F. Green (The Minister for Housing):

I would like to thank the Deputy for this question [**Laughter**] [**Aside**] because he recognises, as I do - seriously though - the very considerable commitment, professionalism and dedication of the 44

staff in the department who I think do an excellent job on behalf of the 13,000 tenants who live in our homes. That the vast majority of our social housing is of a good standard and some of an exceptional high standard - some of it the finest in the world - Members might expect that the recent media coverage might have displayed some of the good aspects of the housing that we provide as well as the poor. Let us be clear: the shortfall in housing maintenance is not the failing of the Housing Department but it is the failing by us to provide sufficient resources in the past to the tune of about £6.5 million a year. This has been a problem, and achieving 80 per cent of our stock in such good condition I think is a credit to the department and a considerable achievement. With regard to the recent media coverage, I would fully expect issues to be covered by the media from time to time but what has saddened me and my officers is some of the comments made about our tenants, which we totally disassociate ourselves from. In most cases, the views expressed were inaccurate, judgmental and sometimes very cruel. The majority of our tenants, as I have said before - our customers - are good people: they work hard, they look after their home, they pay their rents and their taxes and we have failed on occasions in small areas to fulfil our side of the contract. I value our tenants' custom. I am proud of the service that the department provides. We need to do more and I have to say, working with the Council of Ministers and particularly with the Minister for Treasury and Resources, we will do more in this next year. We have massive plans to improve that.

2.12.1 Deputy G.P. Southern:

That sounded awfully like an answer which he was instructed to avoid, but nonetheless. Does the Minister accept that 20 per cent average that social housing has fallen behind private rental accommodation is largely made up of the worst properties having the lowest rents and, if he is to protect those people on income support, does he not accept that this is just a way of transferring £10 million worth of support from his department or elsewhere to the Social Security Income Support Department?

Deputy A.K.F. Green:

No, I do not accept that. What I am attempting to do - and this will be clear when my White Paper is issued very shortly - is to put ourselves in the position where all of the Housing Department's properties are fully maintained and properly maintained so the 20 per cent of properties that are not currently maintained sufficiently will be, and also where we are in a position to provide more social housing because we have more social housing required. That is what I am attempting to do and that will be clear from my White Paper.

2.12.2 Deputy G.P. Southern:

The Minister says he does not accept the £10 million figure. Does he not accept that the statement: "Income support budget will have to increase by an estimated £7.5 million" and on the same page: "£1.1 million and £1.3 million for various groups", income support is going up as a result of his proposals?

Deputy A.K.F. Green:

I do accept that if my proposals are accepted that there will be a need for me to transfer from my rents and that I will receive more support for those on the lower end. I am absolutely adamant that those who cannot afford to pay the extra rent, those on income support, are fully protected, so I do accept that. But I do need to do something about the hidden subsidy that a number of tenants get in order to (1) make it fair; (2) make it targeted and (3) be in a position to provide the services that we need to provide in the Housing Department.

2.12.3 Connétable M. Le Troquer of St. Martin:

Some of the question has already been answered but I watched in amazement and with serious concern as we looked at the television reports last week, and I would ask the Minister why a quarter of the properties owned by the States have fallen into disrepair. Was it just lack of funding or was there neglect on behalf of the department at this time of accountability?

[11:00]

Deputy A.K.F. Green:

I was not proud, in fact, I was ashamed of what I saw on the television, but that is a very small part of our portfolio. When we say about 20 per cent of our properties fail to meet the English Decent Home Standard, as I said last time when I was on my feet in this Assembly, what we are talking about is there are a number of properties which had not had their bathrooms replaced or their kitchens replaced in line with normal replacement procedures. There is a small percentage that I am ashamed to say do fall into the situation that we saw on the television. It is the lack of funding from the department, not the officers' fault. We have failed to resource them. I am putting that right. I am proud of the work that they are doing but I need to make sure that my department is in a position to fulfil its obligations to its current tenants and its new tenants.

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

We see in the answer to a Written Question that the Minister for Housing provided today that in 2010 the Housing Department undertook a stock condition survey, capital evaluation and a review of rents and, indeed, 47 per cent of States rentals were between 21 and 40 per cent behind market rental values. I would like to ask the Minister how often does the Housing Department undertake a review of rents?

Deputy A.K.F. Green:

It is probably not the answer that the Deputy wants to hear but, quite clearly, we have not done it often enough and this is something that needs to be put right. I have to say that the rent policy has been very loosely applied, not through the fault of the officers, but very often through the fault of the politicians in charge at the time. I am going to put that right. My White Paper makes that quite clear. The Regulator, who is part of the Housing Transformation Programme, will always ensure that we are up to date with our rental policy out of fairness in terms of keeping the maintenance up-to-date and investing in new properties so that our tenants know exactly what is expected from us.

The Deputy of St. Ouen:

As normal practice generally dictates, rents are reviewed on a regular and 3-yearly basis. Can the Minister explain why that this normal and general practice is not carried out and has not been carried out by the department?

The Deputy Bailiff:

I am sorry, Deputy. I think that is outside the scope of the question. It is not question time for the Minister on any matter that might affect Housing. Deputy Vallois?

2.12.5 Deputy T.A. Vallois:

Does the Minister not agree that the rebate and abatement system creates an anomaly in the housing market, of which £9 million a year goes to private landlords? How will the Minister remove the anomaly before raising rents?

Deputy A.K.F. Green:

That is a question that really needs to be directed towards the Minister for Social Security but it is something I know that needs working on because we have discussed it. The rent rebate scheme in the private sector does not fall under my remit, I am sorry.

2.12.6 Senator P.F.C. Ozouf:

I do not normally ask a question of another Minister but would the Minister confirm that he is working with his colleague, the Minister for Treasury and Resources, on a further injection of up to £27 million in social housing stock and we hope to make an announcement about that in the next few days?

Deputy A.K.F. Green:

Yes, I can confirm that [Laughter] and that is what I was referring to when I said working very hard and getting considerable support both from the Council of Ministers and the Minister for Treasury and Resources in particular.

2.12.7 Deputy M. Tadier:

The Minister is right to commend the hard work of the department but it is not right for him to gloss over the real problems and to attack the media who are just putting out his figures, and I noticed that the standard of homes not meeting the requirement has gone down to 20 per cent, when I think the figure is more towards 25 per cent, but we can talk about that another time. Does the Minister acknowledge that there is a logical contradiction to suggest that we hike rents by 20 per cent at a time when we know that up to a quarter of our stock is not even meeting the U.K. Decent Home Standard?

Deputy A.K.F. Green:

At first glance, there may be a contradiction but one has to be clear. You cannot provide the maintenance you should be providing unless you have the budget to do it and, if you continue to undercharge, then you will continue to fail to meet your obligation in terms of the maintenance. If you always do what you have always done, you will always get what you have always got.

2.12.8 Deputy M. Tadier:

Very quickly, I am glad that the Minister said that because is the answer not stating the Minister for Housing in face? Rather than giving back to the Minister for Treasury and Resources all the profits that his department are making year-on-year to the Minister for Treasury and Resources so that they cannot afford to maintain their own properties so that they have to sell properties simply to pay for maintenance, would it not be better to keep that money and for the Minister for Housing to stand up to the Minister for Treasury and Resources and say: "We are keeping our own revenues and we want more money to invest in our own department"?

Deputy A.K.F. Green:

The vast majority of the money that I give to the Minister for Treasury and Resources is on its way to the Minister for Social Security in place of the rent rebate scheme, which was originally run by the Housing Department.

2.12.9 Deputy G.P. Southern:

Will the Minister agree to publish the full paper of Professor Wilcox on which he has based his 20 per cent estimate?

Deputy A.K.F. Green:

I am not sure about that. I need to look at the information provided, but I will discuss it with the Deputy and come back to him.

2.12.10 Deputy S. Power:

I think the Minister will probably agree with me that the media bashing and the bashing within the States Assembly is something Housing has to live with. Would the Minister agree with me that it is

essential now that the senior management team at Housing be allowed to continue their good work, not only in the transition through the Housing Transformation Programme but into the continuity and management of this new association, to be called whatever?

Deputy A.K.F. Green:

The quick answer to that is yes, very much so.

2.13 Deputy R.J. Rondel of the Minister for Transport and Technical Services regarding changes to the existing bus routes when the new bus contract is signed:

Could the Minister advise the Assembly whether there will be any changes to the existing bus routes when the new bus contract is signed and, if so, will a new service be provided through Mont Cochon?

Deputy K.C. Lewis (The Minister for Transport and Technical Services):

Yes, there will be changes to the network but these will only be introduced in consultation with the bus services customers. The new contract for bus services in 2013 will include the flexibility to allow for network improvements to provide additional growth and incentives will be provided for the operator to meet performance targets based on the States Sustainable Transport Policy. The detail of the 2013 contract at present remains a subject of detailed commercial negotiations with the preferred bidder and therefore at present I am unable to say what improvements will be made when or who the final operator will be.

2.13.1 Deputy R.J. Rondel:

I thank the Minister for his comprehensive answer but would he consider and ensure that the route up Mont Cochon is negotiated?

Deputy K.C. Lewis:

The department, through its ongoing timetable consultations in customer research, is aware of the desire for services through many locations, including Mont Cochon and the Hospice and these will be considered as part of the development of the new contract. I can also state that when the operator for the 2013 contract is finally appointed later this year, they will be expected to engage directly with the public and important community facilities, such as the Hospice, to ensure that their offering meets the public needs.

2.13.2 Deputy R.G. Le Hérissier:

Given the increasing popularity of farm shops, is it the intention of the Minister for Transport and Technical Services to ensure that buses serve that particular sector of the market? **[Laughter]**

Deputy K.C. Lewis:

I need to take that one under advice but, as I say, it will be public consultation. Wherever there is a public need, hopefully that will be served.

2.13.3 The Deputy of Grouville:

The Minister stated that there will be consultation with the bus users. Will there also be consultation with non-bus users because they might become users if there was an adequate service near them?

Deputy K.C. Lewis:

Bus users just meaning the general public.

2.13.4 Deputy M. Tadier:

When we are considering the tendering for the next contract, would the Minister give due serious consideration to asking for a prepaid card system like the Oyster card system used in London and also for transfers to be made available on bus routes so people who are travelling halfway along one route perhaps from, let us say, St. Aubin to St. Clement, can do it all in one journey because really we can see these kinds of improvements made easily and now is the time to make these negotiations before the contract is signed?

Deputy K.C. Lewis:

Yes that is something that is already under consideration, a kind of Oyster card or even an Ormer card kind of prepayment systems for people with mobility problems and the public in general.

2.13.5 Connétable P.J. Rondel of St. John:

Would the Minister give an undertaking that when they are looking at the proposed bus routes for Mont Cochon and the like that the bus continues up into the northern parishes given that many of my residents have a mile to walk to the closest bus stop if we do get a bus in St. John at all? Therefore, with the transport policy that is required by his department and this House, will he make sure that no resident in this Island should walk more than 500 metres to a bus stop, not a mile?

Deputy K.C. Lewis:

It has always been my intention with the new bus operator, whoever they may be, to expand the service to give excellent coverage throughout the whole Island and that is what I will be doing.

2.13.6 Deputy G.C.L. Baudains of St. Helier:

When Connex took over the route from J.M.T. (Jersey Motor Transport) clearly they did not know which routes were best suited and they were required to review the routes in the first year of operation. I am not sure that they did so. Will the Minister make sure that the new operator, whoever that may be, has an in-depth look and comes up with fresh ideas for an integrated bus service which may, in fact, be revolutionary?

Deputy K.C. Lewis:

Indeed, that will be part of the contract and the new contract will also include quite a few K.P.I.s, (key performance indicators) which is a status they will have to meet before the contract is renewed.

2.13.7 The Connétable of St. John:

A continuation from my previous question, given that we have distances of up to a mile and even more to get to bus stops, does the Minister really appreciate that for people living in outlying areas who cannot drive usually because of age or whatever, their licence may be removed, that there are no alternative ways of moving these elderly people around? Will he bear that in mind that it is all well and good to have 20-minute buses or 10-minute buses on the south of the Island but the north, west and east of the Island are very poorly served?

Deputy K.C. Lewis:

Yes, indeed. I believe the southern end of the Island is very well served at present and it has always been my intention to increase the service to give excellent coverage to the rural Parishes of the Island.

2.13.8 Deputy G.C.L. Baudains:

From the previous answer the Minister gave me, I got the impression that the new operator will be required to run similar routes to the present ones with maybe one or 2 enhancements. Could he

clarify that and state whether or not they will be looking at it holistically, perhaps even satellite services feeding into town, such things as that that have been discussed in the past but never seemed to be followed through?

Deputy K.C. Lewis:

Yes, indeed, it will be looked at holistically for the whole Island.

2.13.9 Deputy R.J. Rondel:

Just for Deputy Le Hérisier's clarification, I do not have an interest in a farm shop up Mont Cochon [**Laughter**] but we are served on the St. John main road with an excellent bus facility [**Laughter**] [**Members: Oh!**] very close by. I do, however, have several elderly constituents that live at Mont Cochon and have to walk down to Benest's regularly and this is why I feel that as there used to be a bus route there many years ago, there should be one seriously reinstated and I thank the Minister for his answer to look into this.

2.14 The Connétable of St. Martin of the Minister for Housing regarding the Housing maintenance programme:

Will the Minister outline the maintenance programme he has implemented since taking up office to prevent properties within the States social housing portfolio falling into further disrepair?

[11:15]

Deputy A.K.F. Green (The Minister for Housing):

I suspect this is a continuation of the previous question and I would like to thank the Constable for asking me the question, but it does provide an opportunity for me to highlight how much has been done and what we have planned to do. We have taken the outstanding maintenance in the department down from £75 million in 2006 to - at the end of 2010 - £48 million. We also provide a reactive maintenance service for tenants which undertook over 10,000 repairs last year. I know we have been asked to be brief but I hope you will allow me to read out a list of some of the works that we have completed recently: the Cedars; Le Carré; 1-21 Le Geyt Flats; Clos de Quennevais; Clos de Roncier; Lempriere Street; 39 Ann Street; Ann Street; St. Lawrence Arsenal and we have underway at the present time the refurbishments at Clos Gosset, Pomme d'Or Farm and Jardin des Carreaux. I signed the Ministerial Decision yesterday to go out to formal tender for La Collette. The refurbishment of Osborne Court is planned later for this year and there has been an extensive programme of thermal improvement and backlog of maintenance across our key stock. We have provided children's play areas in Clos St. Andre; 14 estates have had cavity wall insulation; 20 estates have had loft insulation; 12 estates have been cleared of asbestos; and roofs have been replaced on 10 estates. Additionally, 1,163 homes have had their central heating updated and we have got plans for kitchen replacement and plans for 75 bathroom replacements. It is important to recognise that none of this would have been possible without the support of the Minister for Treasury and Resources and the Council of Ministers.

2.14.1 Deputy G.P. Southern:

Can the Minister assure Members that once he has his new plan in place and is fully consulted, that he will cease the practice of selling off States housing in order to pay for refurbishments?

Deputy A.K.F. Green:

No, I have clearly come round on this one. I have to say initially I was opposed to the sale of States property but it seems to me what we should be doing always is reviewing and aligning our stock because once you turn the supply off, it takes many years to turn it back on and we need a gentle

trickle of social housing in there and always reviewing and aligning our stock, and possibly building-in a scheme that allows those who find themselves in a better position to be able to jump on to the homes ladder. So the quick answer to that is no I will not.

2.14.2 The Connétable of St. John:

I have to pick up on the comments about bathrooms. I still have concerns that we are replacing bathrooms which are not necessary to replace. That said, I notice Britannia House at St. John, which is a number of units held by your department, Minister, work being carried out there at the moment, I think putting in main drains, *et cetera*. Given that those properties are to be sold off, I am given to understand, why are we going to the expense of putting all this additional infrastructure in place for those units? Why do you not allow the developer, whoever is going to be on that site, to do that work?

Deputy A.K.F. Green:

The advice I have on this one is very clear: that by carrying out that work, we will maximise the potential profit for the department. That profit can be ploughed back into the renovations of other properties that I have. It is as simple as that.

3. Questions to Ministers without notice - The Minister for Transport and Technical Services

The Deputy Bailiff:

Thank you very much. That brings that part of Question Time to an end. We now come to Questions without notice. The first question period is for the Minister for Transport and Technical Services. Deputy Tadier?

3.1 Deputy M. Tadier:

How often is a review carried out on taxi plates, including red plates, and does the Minister take into account economic conditions when deciding to re-release plates to companies or to private individuals?

Deputy K.C. Lewis (The Minister for Transport and Technical Services):

The taxi review is in process as we speak and the paperwork should be released at, I think, 28th of this month for public consultation.

3.2 Deputy J.A. Martin:

Previously this morning, the Minister for Transport and Technical Services seemed surprised that I suggested that Green Street Car Park before the Police Station was proposed there up for refurbishment in 2012 to build parking spaces on the empty lower lot. Will the Minister find out why this has been stopped, because obviously he does not seem to have had the correct information from his officers?

Deputy K.C. Lewis:

Yes, I am aware of the timescale of the car park but, as I have mentioned previously, the new Police Station is not my idea and I am not the sponsoring Minister. I am reacting to what is happening at the moment.

3.3 The Connétable of St. John:

Will the Minister give us an update, please, on a recent letter I received from residents of St. John and St. Mary reference the main drains extensions into the area of La Barcelone and Le Mourier

Valley, *et cetera*, given that we have a reservoir just below in that valley and obviously septic tanks and soak-aways which are still in use in that area must create additional contamination for the reservoir. When will we get some real input in funding and have those 60 or 70 properties down there put on main drains, please?

Deputy K.C. Lewis:

Yes, the department is well aware of the problem and we received communications recently, which the department is acting on.

3.4 Deputy S. Power:

I wonder if the Minister is aware of the last time the charge rates for the animal carcass incinerator were reviewed, and I ask this question because the use of the animal carcass incinerator is based on weight rather than time used to burn, and it seems to me that that is an inefficient method of doing so. Would the Minister care to respond or even review the situation?

Deputy K.C. Lewis:

Yes, I believe the fee has just increased for the animal carcass incinerator. I believe it is about £100 at present for a horse.

3.4.1 Deputy S. Power:

The question was would the Minister care to review the charge rate, which is based on weight rather than time used to burn?

Deputy K.C. Lewis:

Yes, I am more than happy to take that up with the department.

3.5 Deputy J.H. Young:

The Minister has advised the House of the loss of car parking at Green Street as a result of the decision to propose the new Police Headquarters. Could he also advise the Assembly of the number of potential parking spaces that will be lost as a result of the loss of opportunity to do as originally discussed, which was to extend the car park to create more spaces?

Deputy K.C. Lewis:

I do not have that information with me but I am more than happy to get that to the Deputy. The new scheme will displace 91 spaces from Green Street car park out of a total of 608. The 91 spaces at Green Street plus any new demand from the new Police Headquarters, maximum 75, will be transferred to Pier Road which has a capacity of 250 long-stay parking spaces. In addition, the Police Headquarters scheme will be providing additional motorbike parking in the area likely to be 50 additional spaces for bikes.

3.6 Deputy G.C.L. Baudains:

Does the Minister's department keep a log of all R.T.A.s (Road Traffic Accidents) or only those where injury has occurred and, if the latter is the case, is he concerned that perhaps his department does not have full information with regards to accident black spots and that sort of thing?

Deputy K.C. Lewis:

The department does keep statistics regarding accident black spots as reported to the department but I believe it is predominantly where injury is concerned.

3.7 Senator L.J. Farnham:

I just wanted to re-clarify: I was prompted to ask a supplementary question earlier, which I phrased wrongly. Of course, I do not support parking on a footway but I am going back to that extraordinary White Paper to get a place running alongside the Town Park. Would the Minister support the reutilisation or the reclassification of an area of that footpath which is, in my opinion, unnecessarily wide for a short-term parking arrangement to help the businesses and the residents and the visitors to the park in that area?

Deputy K.C. Lewis:

I like to increase parking spaces wherever possible but that is a new pavement there. I believe it is going to be a shared space for people to come into town and I believe that the actual area concerned comes under the responsibility of the Constable of St. Helier.

3.7.1 Senator L.J. Farnham:

Thank you. A yes or no answer will do. Would he support the reutilisation, whether it is his responsibility or that of the Constable of St. Helier? Yes or no would be fine.

Deputy K.C. Lewis:

I am afraid yes or no is not fine. It has just been built so I am not going to rip it up again to build parking spaces. As I say, it belongs to the Parish of St. Helier.

Senator L.J. Farnham:

That is a no then, thank you.

3.8 Connétable S.W. Rennard of St. Saviour:

I would like to know what the Minister will do about the speeding and the danger that there is on Longueville Road in St. Saviour. I would also like to know if it is possible for my parishioners to have a crossing?

Deputy K.C. Lewis:

Yes when I was the Assistant Minister for Transport and Technical Services, I did have a safety fund and I bought many of the smiling S.I.D.s (speed indicator devices) which have been distributed around the Island and these have had a positive effect. I do not approve of speeding in any way, shape or form. It is a matter of policing and regarding the crossings, we have been working on one at Milady Farm for some time. That is ongoing. We do have land ownership issues, but that is ongoing.

3.8.1 The Connétable of St. Saviour:

If it is land ownership, I thought we as an Island owned the main road and you were responsible for the main road so I cannot understand. Maybe you could explain it to me, because I am new, where the land ownership problem comes into it?

Deputy K.C. Lewis:

Yes we do, in fact, own the roads but to have a crossing there the road has to be a sufficient width. We have to increase the width of the road to put a crossing in there which will be an island-style crossing and to have an island in the middle, we need a passing area either side of the island and we need to take a section of land from the shopping centre that is located there. That is the bit that is under negotiation.

3.9 The Deputy of Grouville:

At the consultation of the Eastern Cycle Network last year, people were advised work would continue this January. Why has it not and what is the delay?

Deputy K.C. Lewis:

The Eastern Cycle Network has been created between Gorey Harbour and Lavender Villa. Design of the on-road section of the cycle path at Lavender Villa on to Grouville School has begun. As part of the process, residents, businesses and the school, emergency services and the Parish are and will be consulted at every level. My Assistant Minister, Deputy Le Fondré, will be overseeing this project.

3.9.1 The Deputy of Grouville:

We were consulted in the autumn of last year. This is an ongoing project. It has been on the table now for 5 years. There was a lengthy consultation last autumn. His officers advised us the work would continue to the school this January. What is the delay?

Deputy K.C. Lewis:

We were very fortunate with the Western Cycle Track, as we could use the old railway line which was very beneficial. We do not have the same facility on the east of the Island and we do have land ownership problems which officers are trying to overcome.

3.10 Connétable J. Gallichan of St. Mary:

A few moments ago, the Minister said that speeding is a policing issue. Of course, to some extent that is true but, of course, layout and design of roads can play a great part. Will the Minister undertake to make sure that his department's resources are spread fairly across the Island and not concentrated purely on the reorganisation of urban areas and routes?

Deputy K.C. Lewis:

Absolutely, we are indeed presently looking at parts of St. Mary which need attention but I agree with the Constable, we should look at the whole Island and we are doing that.

3.11 The Connétable of St. Martin:

Is the Minister working on a co-ordinated approach to the implementation of speed limits around the Island, as we now seem to see new limits added on an *ad hoc* basis?

Deputy K.C. Lewis:

Yes, the current raft of speed limits which were implemented a few months ago were at the request of the Parish Constables and some have been popular, some have been very unpopular and I have been told off both ways, so I am open to suggestions.

3.12 Senator L.J. Farnham:

Does the Minister think that the beach-cleaning facilities provided by his department are sufficient as planned for this summer?

Deputy K.C. Lewis:

Yes, beach cleaning is vitally important for tourism and T.T.S. do an excellent job keeping the beaches clean in the summer months.

[11:30]

3.13 The Connétable of St. John:

Given the speed limits that were implemented recently, were they fully researched and were they evidence-based? If not, what is the Minister going to do about it, please?

Deputy K.C. Lewis:

Absolutely and, as I said previously, they were at the instigation of the Parish Constables which had feedback from their parishioners, their Honorary Police, back to the Constables. I will be meeting all of the Constables individually shortly to discuss their requirements.

The Connétable of St. John:

I believe the Minister has not answered my question. Were they evidence-based in the research, please?

Deputy K.C. Lewis:

Yes the accident statistics and everything was taken into account and all the evidence that we had to hand was used.

3.13.1 The Connétable of St. John:

I personally believe that the Minister is not up to speed on his subject. Were the police informed? Were they part of the evidence-gathering and, if not, why not? I am talking about the States of Jersey Police.

Deputy K.C. Lewis:

I believe the States of Jersey Police were consulted on this.

3.14 The Connétable of St. Mary:

We hear many things in the Assembly about installation of filter-in-turn systems and the Minister has expressed some support, as did the previous one. Will the Minister undertake to review junction layouts so there is more consistency in the kind of junction used so that people approaching merged sections realise whether they are filtering or giving way? Because there is an element of confusion with similar-looking junctions being treated in different ways.

Deputy K.C. Lewis:

Yes, an excellent point made by the Constable, and we are doing that. I did sign-off the agreement a few months ago to some filter-in-turns in St. Helier but what I am trying not to do, especially in the rural Parishes, is urbanise them with additional signage which would be a legal requirement. We are taking it one at a time.

The Connétable of St. Mary:

In order to avoid confusion, if they were all filter-in-turn there would be no need for signing.

The Deputy Bailiff:

Was that a question?

The Connétable of St. Mary:

A comment.

Deputy K.C. Lewis:

I cannot argue with that but it is something I will look into.

3.15 Senator L.J. Farnham:

Having established that the Minister is satisfied with the level of beach cleaning, is he aware that the current level of beach cleaning is a fraction of what it was just a few years ago and could he share with the Assembly, or does he know how many beach-cleaning machines the department has and how many of them are being used at present?

Deputy K.C. Lewis:

I know we have beach-cleaning facilities. I am not aware of how many we have. I am more than happy to get back to the Senator on that.

3.16 Deputy J.A. Martin:

Could the Minister inform the House on what advice he took from officers on traffic studies on his lifting the restriction of turning left out of Snow Hill Car Park? We are now allowed to go around the roundabout. Did he take any advice? Because I think this is a serious accident waiting to happen.

Deputy K.C. Lewis:

Yes, I absolutely agree 100 per cent with the Deputy.

The Deputy Bailiff:

The question was whether you took advice.

Deputy K.C. Lewis:

I did take advice; I just got the feeling that the States would not support me on that. Members of the public are advised to take great care when exiting the Snow Hill Car Park because there are 2 lanes of traffic merging from the right.

3.16.1 Deputy J.A. Martin:

Because it is just convenient that some States Members park there should not override the safety of the public. Will the Minister look into this again, please?

Deputy K.C. Lewis:

Yes, this has just come around in recent times. I agree with the Deputy. It was not my wish that this should happen but the overwhelming majority of States Members would have supported the change.

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

The Deputy Bailiff:

Very well. That brings questions to the Minister for Transport and Technical Services to an end. We now start the question period for the Minister for Economic Development. Deputy Southern?

4.1 Deputy G.P. Southern:

The Minister for Economic Development recently gave evidence to a Scrutiny panel on population and suggested that we had already brought in about 80 to 90 high value/low footprint businesses creating 90 jobs plus a year which shows that we have the right immigration. Were these jobs for locals or for non-locals?

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

Yes, the Deputy asks a very relevant question. In fact, over 90 per cent were for locals. That is the specific drive behind inward investment. We are looking for high value/low footprint businesses but we are more importantly considering inward investment as a job-creation scheme. Over the last 4 years the statistics the Deputy has mentioned does demonstrate that that it is the case in reality.

4.2 Deputy S. Power:

The Minister will be aware that the ever-suffering travelling public dislike intensely air passenger duty. Would the Minister give some consideration to incentivising the airlines that use Jersey

Airport that in return for carrying, say, an extra 10,000, 15,000 or 20,000 passengers each he would possibly consider refunding part or all of the air passenger element of the duty? This would incentivise the airlines, increase tourism rates and would compete effectively with other jurisdictions that keep putting it up.

Senator A.J.H. Maclean:

The Deputy should be aware, I am sure, that Jersey does not have an air passenger duty as such and clearly we have an advantage in that respect. As far as incentivising airlines are concerned we do work with airlines to incentivise them where appropriate, where we can prove using an economic model that they are going to drive more traffic into the Island and therefore benefit the local economy.

4.3 The Connétable of St. John:

Over recent years it has become a habit for the “white van brigade” to come into the Island daily or weekly to carry out work on building sites and on homes, *et cetera*, to the detriment of the local workforce. How is the Minister monitoring this and is he working with Social Security, Port Control, Customs, *et cetera*, to make sure that only people who are registered in the Island can work here?

Senator A.J.H. Maclean:

Yes, the Connétable asks a very relevant question and certainly there is compliance at the port. We do do spot checks, not as many perhaps as I would like, but certainly the spot checks that have been undertaken have proven that the majority of so-called “white van men” that come into the Island are legitimately allowed to do so. They either have arrangements in place as subcontractors with main contractors; they are coming for less than 10 days, or whatever the reason happens to be. But certainly the checks we have done have proven that the majority of those coming in are legitimate. I do accept the point of the Connétable and we are looking at putting further resources into that area.

4.3.1 The Connétable of St. John:

Will the Minister confirm that the checks will be increased? I can understand where he is coming from with resources, but will they be increased considerably? Because there is some real concern out there in the workplace by local people that they are losing their business to outside operators.

Senator A.J.H. Maclean:

Yes, I can confirm to the Connétable that we have looked at this matter. We realise the sensitivities within the community, despite our checks to date have not proven abuse. Yes, appropriate additional checks will be put in place but I must re-emphasise that to date there is no evidence of extensive abuse in this area.

4.4 Deputy R.G. Le Hérissier:

Will the Minister inform the House whether his department will be launching an appeal against the recent L.V.C.R. (Low Value Consignment Relief) decision?

Senator A.J.H. Maclean:

I am shortly going to be giving a statement on this matter so I will be brief. At this stage we do not know. We are waiting for the written judgment and our legal team will assess the written judgment when they have had an opportunity to do so. So far we have not had that written version.

4.5 Deputy J.H. Young:

Will the Minister advise the Assembly whether he is aware of the opportunity for designation of Jersey's fortifications as a world heritage site since 1997 and whether he is aware of the work done by a local heritage group in progressing that matter, in particular a proposal to the Tourism Development Fund last year jointly with the heritage groups of Guernsey, Alderney and Sark? Can he say whether he is prepared to support that and advance this important project and the benefits of tourism?

Senator A.J.H. Maclean:

Yes, I am aware of that. In fact, the Deputy may be aware that the Tourism Development Fund has an independent panel that assess oral applications that come forward for potential funding. I agree with the Deputy at face value it seems a very worthy cause. However, I have to say it was speculative and the funding requested of the fund was significant on a speculative basis and as such the panel decided that they could not support it at that stage, although of course they can come back for an appeal in due course.

4.6 Senator L.J. Farnham:

A quick question back to beach cleaning. As the Minister responsible for tourism, would he undertake to satisfy himself, together with his department, that our beaches are being cleaned properly in the interests of tourism and perhaps if not completely satisfied he would undertake to take this up with Transport and Technical Services?

Senator A.J.H. Maclean:

I think it is very important. We have fantastic beaches; that is one of the mainstays of the tourism industry. I am more than happy to do that. In fact, I am happy to go with the good Senator, and his interests are well known in the tourism sector, and look to see if indeed there is an issue here.

4.7 Deputy M. Tadier:

What preparation has the Minister taken in the eventuality that today or tomorrow an announcement will be made by the U.K. Government to close down stamp duty which benefits some businesses in Jersey and other offshore jurisdictions? Has he spoken to those in the industry, has he spoken to U.K. Ministers to seek assurances and what contingency plans are there in place?

Senator A.J.H. Maclean:

As far as talking to U.K. Ministers are concerned, no, there has not been a discussion on this matter and indeed it is a matter for the U.K. if they wish to change their tax arrangements or other arrangements. As far as the Island is concerned, yes, the industry itself has been looking at this matter to see what implications there would be and indeed what appropriate actions would be necessary and I am working with industry in that regard.

4.8 Deputy M. Tadier:

I find it remarkable here in the same week that we are battling with L.V.C.R. that we have not even bothered to mention it to U.K. Ministers to try and use our influence to lobby them. It suggests that we do not want them to close this thing down because it is beneficial to many of our Islanders indirectly through the tax that it pays. Is that really the serious position that the Minister is telling us is real?

Senator A.J.H. Maclean:

The Deputy will be well aware that we have many discussions with the U.K. at Ministerial level and at officer level and, yes, matters such as this are routinely mentioned. Unfortunately, the ability to influence, as has been demonstrated by the recent L.V.C.R. scenario, is clear for all to see.

Deputy M. Tadier:

Clarification: the Minister said a moment ago that they had not discussed this and he is now suggesting that they do discuss these kinds of things often, so is the Minister saying has this been discussed at all or has it not been discussed? It is a very simple question.

Senator A.J.H. Maclean:

I think I made it clear that my second point was the fact that we discuss a number of issues with the U.K. Ministers and indeed at officer level. This specific point I have not personally discussed if that was the question. That, I hope, is clear.

4.9 Deputy J.A. Martin:

Well I hope you have discussed this one then. The Minister will be aware that our fulfilment industry did an excellent job collecting V.A.T. (Value Added Tax) on goods over £18 and then over £15. Who is going to collect the money now it is zero and why should we bother to collect any more money for the Treasury, even when it is over zero, and give it to them? Let them do the work themselves. Could the Minister agree with me?

Senator A.J.H. Maclean:

It is hard not to agree with the very nice way the Deputy put the final part of her question. She got very excited with the first part and I understand why. In fact, this is not a matter for Ministers to have discussions on. It is Jersey Post that has been having discussions with regard to that because of course it is Jersey Post that collects the V.A.T. that the Deputy was referring to. There have been discussions with H.M.R.C. (Her Majesty's Revenue and Customs) about arrangements in light of the changes to L.V.C.R. and those are ongoing as far as I am aware but to date there has been no suggestion by H.M.R.C. that they would indeed make a financial contribution. Personally I believe they should. It does take time and money. Of course the balance is that if we refuse to do it, it slows down the products going into the U.K. as that process then has to happen in the U.K. So from a business point of view it is very negative. It is a very difficult balance to get this right but the discussions are ongoing with Jersey Post and H.M.R.C.

4.10 Deputy M.R. Higgins:

Following on from Senator Ferguson's question to the Chief Minister earlier, because of the increased supply of advocates in Jersey and the fact that fees do not appear to be going down, is the Minister prepared to refer the matter to the J.C.R.A. to look into this matter of legal fees?

Senator A.J.H. Maclean:

I know that this matter is close to the heart of the Deputy and he has asked a number of questions on it in the past. I am very happy to discuss with the J.C.R.A. for their 2012/2013 work programme as to whether or not they have an interest in looking at this matter. Members may well be aware that the J.C.R.A. did indeed look at legal charges with regard to conveyancing some years ago and made some significant changes that resulted in conveyance charges coming down.

[11:45]

They were too high in the Island previously, and that was appropriate. It is a very complex area, not as simple as the Deputy may think with regard to fees. For example, the direct linkage between Jersey fees and financial services area and the City of London are very comparable. I accept there are not necessarily the same comparisons available or economies in the family area, which perhaps is another matter.

4.11 Deputy J.M. Maçon of St. Saviour:

Given the recent judgment that we have received regarding the Low Value Consignment Relief, what work has the Minister for Economic Development done with the Minister for Treasury and

Resources to look at making sure that our post office, which is heavily reliant on the L.V.C.R. in order to carry out its work, is able to continue?

Senator A.J.H. Maclean:

Yes, there is a reliance clearly from Jersey Post. All Ministers - the Chief Minister, the Minister for Treasury and Resources and myself - have worked collaboratively with regard to the L.V.C.R. issue and indeed the specific question in relation to the impact on the post office. Equally, there are opportunities to retain some of the business potentially if indeed postal charges can be looked at as part of a solution. It is the cost of operation in the Island which is one of the issues with L.V.C.R. But, yes, we are satisfied at the moment. Further discussions are ongoing that there is going to be a future that will not impact in a significant way on Jersey Post.

4.12 Senator L.J. Farnham:

In relation to Low Value Consignment Relief, does the Minister know why the U.K. selected only the Channel Islands and not other non-E.U. jurisdictions?

Senator A.J.H. Maclean:

I think because they thought they could.

The Deputy Bailiff:

Any further questions for the Minister? Deputy Southern.

4.13 Deputy G.P. Southern:

The Minister talks about being in meetings with staff working in fulfilment, does he yet know what the total cost will be of the unemployment caused by the decision on L.V.C.R.?

Senator A.J.H. Maclean:

Just to correct the Deputy, I have not been personally in meetings with staff but certainly the Back to Work team are liaising and have gone into local companies to talk to staff about the various options available to them in the event of them losing their jobs. As far as the cost is concerned, there has been some high-level cost estimates carried out and that very roughly looks at the fact that for every 100 individuals who lose their jobs, it is going to cost something in the region of £800,000 in income support.

4.13.1 Deputy G.P. Southern:

In total?

Senator A.J.H. Maclean:

At this stage that is impossible to give an accurate figure on because we quite simply do not know how many are likely to lose their jobs. We know the total numbers in the performance sector: there are up to 1,000 individuals directly, another 1,000 possibly indirectly. We will not necessarily clearly be losing all those jobs. Some businesses in fulfilment in the Island have products that are not dependant on L.V.C.R., for example, so the picture is being assessed as we speak.

4.14 Deputy M.R. Higgins:

I know the Minister believes in joinery with our cousins in Guernsey, could he give us an update on the various projects that he is talking to the Guernsey authorities about and tell us where we are? Because it seems to me that a lot of initiatives are being delayed because of these talks which may never, ever come into fruition, so could he please update us on the talks with Guernsey?

Senator A.J.H. Maclean:

There have been a great deal of successes with Guernsey. In fact, I could start, seeing as we have been on the subject of L.V.C.R.s, with the way in which the Islands worked very collaboratively over that issue. It was very positive and I was delighted with the way in which the Islands did collaborate. There have been successes with regulatory oversight at the airport, for example ...

STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

The Deputy Bailiff:

Thank you, Minister, time has now come to an end for questions without notice. There is nothing under J. We come to K, which is Statements on a Matter of Official Responsibility. Minister, I understand you wish to make a statement?

5. Statement by the Minister for Economic Development regarding V.A.T. on Commercial Consignments from the Channel Islands:

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

Yes, Sir, I do. As I am sure Members will know, while declaring that the Channel Islands fulfilment sector did not result in tax avoidance, let alone tax abuse, the High Court ruled that the U.K.'s proposed changes to the Low Value Consignment Relief are lawful. This means that in his forthcoming budget, the U.K. Chancellor will announce that from 1st April H.M.R.C. will apply V.A.T. to all commercial consignments from the Channel Islands regardless of value. We are extremely disappointed at this outcome as the changes to L.V.C.R. which affect the Channel Islands alone create an uneven playing field, particularly with respect to other non-E.U. jurisdictions such as Switzerland and the U.S.A. (United States of America) where operators can continue to import goods and benefit from L.V.C.R. We have been granted leave to appeal by the judge and we will consider whether it is appropriate to lodge an appeal once the detail of the judgment has been considered by our legal team in consultation with the Guernsey authorities. For the avoidance of doubt, L.V.C.R. is not the only reason companies operate from Jersey but it is clearly a factor. We know that given the highly price-sensitive U.K. marketplace, some businesses will find it more difficult to compete. We have therefore been discussing the impact of the H.M.R.C.'s decision directly with affected companies so that we can assess other options that may exist to enable businesses in the sector to sustain operations in Jersey and in doing so preserve jobs. While L.V.C.R. may have contributed to profitability, it is by no means the only reason firms choose to base themselves in Jersey and it is up to us to provide a competitive trading environment free from unnecessary red tape. It should also be noted that the U.K. is not the only market and not all companies rely upon L.V.C.R. as they sell higher-value products. As Members are aware, fulfilment is but one component of a much broader and flourishing e-commerce sector in Jersey. We are already investing in broadband infrastructure through Gigabit Jersey and working to reduce the cost and increase the competitiveness of our e-commerce offering. As Members will see when I publish the new economic growth strategy, e-commerce and related hi-tech industries will have the highest priority as we seek to make Jersey the jurisdiction of choice for both existing businesses to expand and new businesses to develop. The Minister for Treasury and Resources has agreed to make funds available for positive initiatives which promote economic activity and create sustainable jobs. These funds would come from the contingency fund set aside in the 2012 Budget to deal with unforeseen issues. Measures have also been put in place to help those individuals who may be affected by the ending of L.V.C.R. Our Back to Work taskforce is stepping up its efforts to support all those whose jobs may be at risk. Meetings with staff have already begun and are continuing this week. The team has visited staff in their workplace to offer presentations on the labour market and the support available to find new employment through Work Zone, Advance to Work, Advance Plus and Careers Jersey. The team has also briefed staff on eligibility for income

support, pension advice and self-employment. Staff members who have special employment needs and who are clients of J.E.T. (Jersey Employment Trust) or Workwise continue to receive one-to-one support from the appropriate agency. The Back to Work team is available to work with any businesses affected by the court's decision. Going to the High Court was the right course of action taken for the right reasons. We received clear legal advice which was wholly consistent with that received by industry and indeed our colleagues in Guernsey. It was on the basis of this advice that we took action through the English court to clarify E.U. V.A.T. law. In the weeks and months ahead we must now concentrate on supporting the industry to adapt and, most importantly, support people working in our fulfilment sector who may be impacted by the judge's decision to find new employment. Finally, we must support the fulfilment sector as it seeks to develop new opportunities in new markets. Thank you.

5.1.1 Deputy S. Power:

The Minister refers in the third paragraph that they have been given leave to appeal by the judge: "... and we will consider whether it is appropriate to lodge an appeal once the detail of the judgment has been considered." How long does he think that process will take because this is very time-sensitive?

Senator A.J.H. Maclean:

The Deputy is right. In fact, from the date of the judgment we have a maximum of 21 days to lodge an appeal if that is the case. The advice is that if we were to do so, we should do it well within that deadline.

5.1.2 Deputy R.G. Le Hérissier:

Would the Minister outline the steps that are being taken to deal with a knock-on effect? For example, as students and school leavers compete in the labour market with people perhaps made redundant from this industry, what support is going to be offered to the young people who will be coming to try and find work within the labour market and could well be displaced?

Senator A.J.H. Maclean:

The Deputy raises a valid point. In fact, young people, as Members will be aware, are accounting for about a third of the total unemployment currently. The likely increase from L.V.C.R. will simply impact on that, hence the additional funding agreed by the Treasury from carry forward - £7.2 million - is going into extending programmes like Advance to Work, strengthening up the Careers Jersey programme, and so on. I am delighted that the additional resources have been put into the Back to Work programme. It is beginning to deliver genuine results; it is going to have clearly a lot of work to do in the coming months.

5.1.3 Senator L.J. Farnham:

Two points to make, if I may. The first one is a follow-on from the Minister's answer to Deputy Le Hérissier's question. Does he have any statistics of the demographics of the workforce within the fulfilment sector and does he think there will be some migration as a result of jobs being lost? The second part of my ...

The Deputy Bailiff:

That is 2 questions, that is quite enough for the Minister.

Senator A.J.H. Maclean:

As far as the demographics are concerned and the makeup of the workforce, more than 80 per cent of those employed in fulfilment industry are local and as such it is clear to see the impact and cost that is going to be associated therein.

5.1.4 Deputy M.R. Higgins:

Can the Minister advise the Assembly what the legal expenditure has been to date on this so far failed attempt to reverse the L.V.C.R.?

Senator A.J.H. Maclean:

It is the Deputy's specialist topic: legal charges. All I can tell Members at this stage is that the estimate for legal charges for Jersey were £360,000. We have not yet had the final bill in. I can assure Members that when we do know the final cost, I will be making that public. We have also had contributions from industry; we need to assess exactly what those are going to amount to. Of course the other point is that we will, having lost the case regrettably, have some costs from H.M.R.C. That will be split with Guernsey, so our total contribution to the U.K. costs will be 25 per cent of the total.

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

Has any work been undertaken to establish the likely number of new applications for income support and, if so, what would the likely additional costs to that be?

Senator A.J.H. Maclean:

That is linked to my earlier comment where the assessment was done and the likely cost per 100 unemployed will cost approximately £800,000. That is based on approximately 70 per cent requiring income support and that is averaged, clearly taking into consideration the family component. At this stage we cannot assess exactly the numbers because clearly we do not know how many are going to be made unemployed.

5.1.6 Deputy G.C.L. Baudains:

Is the Minister able to advise Members of the cost implications of going for appeal on the recent judgment on fulfilment?

Senator A.J.H. Maclean:

I am not at this stage, although it is likely to not possibly be at the same level that we have currently contributed towards the action that was taken in the High Court in the U.K. But again these are figures that we need to establish and will form part of the decision-making process as to whether or not we appeal.

5.1.7 Deputy J.A. Martin:

This is a follow-on. I know it is Jersey Post, but what talks prior and even now ... and I fully support us going to the High Court and I do not believe it is tax avoidance. It was Her Majesty's Revenue and Customs who brought in this L.V.C.R. because flowers and goods were sitting on the docks for weeks and weeks and weeks and not getting to the rightful owner. So what talks? It really will stick in my craw, and probably a lot of other Members', if even anything up to £18, £15 is collected this side of the water for Her Majesty's Revenue and Customs. There are talks going on and the Minister will assure us that we are not working for the U.K. Government because they certainly are not working for us.

[12:00]

The Deputy Bailiff:

Deputy, it is not speech time, it is question time. The questions, just as answers, should be concise. Minister, what talks are going on at the moment?

Senator A.J.H. Maclean:

First of all I will comment on the Deputy's comment about tax avoidance, tax evasion or tax abuse. I am pleased that she does not think it is. She will be pleased to know that Judge Mitting did not think it was either and he made that perfectly clear in the case. With regard to talks, there are talks between Jersey Post which is appropriate. They are the ones that have the relationship with H.M.R.C. and they are the ones who collect the tax with regard to Low Value Consignment Relief. They are the ones who are ongoing trying to get an agreement with H.M.R.C. that some payment can be made for collections below. If we refuse to do that, the problem reverts to the local businesses. It will see their consignments going into the U.K. which will be slowed down and so it is a very difficult balance.

5.1.8 Senator L.J. Farnham:

If I could just ask this point, could the Minister, in reply, just clarify whether he sees there will be migration from the result of this action? Also, just to clarify Deputy Martin's point, I think it could be more detrimental if we did not collect the V.A.T. because then the onus would be on the purchaser to pay the V.A.T. on the other side and that could be even more detrimental to our business.

Deputy J.A. Martin:

That was why it was introduced in the first place because the U.K. Government could not afford to pay for ...

The Deputy Bailiff:

I am sorry, Deputy, this is not a time for debate, it is question time to the Minister. The second part of Senator Farnham's question was not a question either.

Senator A.J.H. Maclean:

If Senator Farnham is asking will we see net outwith migration as a result of this, the answer is probably unlikely as 80 per cent or so of employees in the sector appear to be local.

5.1.9 Deputy M. Tadier:

What lesson has the Minister learnt about the importance of sustainability when it comes to creating jobs in the Island from this episode?

Senator A.J.H. Maclean:

It seems to be a misconception in some quarters that it is governments that start up businesses or indeed open up sectors. It was the private sector that spotted the opportunity that existed in fulfilment, and L.V.C.R. in particular, and chose to exploit it. Many in that sector realised it was not necessarily long-term. As far as I am concerned, it has generated benefit for the Island while it has been in operation, and I think the industry will evolve. Certainly the wider e-commerce industry offers a significant opportunity for the Island in the future which is why we are investing in it.

5.1.10 Deputy J.H. Young:

Do we know the amount of U.K. V.A.T. that either Jersey businesses or we ourselves will act as U.K. tax collectors for? Secondly, given the conflict of interest in this matter with the U.K., is the appeal to the U.K. Supreme Court the final one?

Senator A.J.H. Maclean:

The tax revenue collected (and I stand to be corrected on this) I believe is around about £5 million. I will check that figure and make sure that the Deputy has it. As far as the appeal is concerned, it

will go to the Court of Appeal initially, and probably to the European Court ultimately, if indeed that goes ahead.

PUBLIC BUSINESS

The Deputy Bailiff:

The 10 minutes allowed for questions on the statement has now expired. We therefore come to Public Business. The first item of Public Business is P.164 - Old Age Pension: method for increase - lodged by Senator Breckon and I ask the Greffier to read the proposition.

6. Old Age Pension: method for increase (P.164/2011)

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion (a) to agree that future annual increases in the old age pension should no longer be linked automatically to the Average Earnings Index but should be increased in line with whichever is the highest for the year in question of (i) the Average Earnings Index; (ii) the R.P.I. (Retail Price Index) Pensioners' Index produced by the Statistics Unit; or (iii) a figure of 2.5 per cent; and (b) to request the Minister for Social Security to bring forward for approval the necessary amendments to legislation to give effect to the proposal, at the earliest opportunity.

The Connétable of St. Lawrence:

Before the Senator makes his proposition, I must declare a direct financial interest and I intend to withdraw from the Chamber.

The Deputy Bailiff:

Whether you withdraw or not is a matter for you, Connétable. It is not a question of a direct financial interest, in my view, because it is an interest which is shared with a wide cast of people. Those Members who are therefore in receipt of old age pensions are entitled to remain but they should declare their interest.

6.1 Senator A. Breckon:

I should declare that I do not have a pecuniary interest but I am 6 months closer than when I lodged this on 3rd October. **[Laughter]** The proposition is about change and then the question is: why do we need to change? I would say that the present system is past its sell-by date, it is no longer fit for purpose. The reason I say that is because the wages and the earnings link is not appropriate any more. It is just not going to happen, what happened in the past. There was a reason for it being linked to that and that was because pensioners in general terms were not in a position to negotiate. It was felt that if there were benefits in the economy, perhaps by the earnings index, then they should be linked to the pensions increase to give them that benefit, as it were. In general terms the wage increases were driven by the finance industry. If Members look there are a lot of statistics in my short report and also from Social Security. You will see tables in there that show that, so it was a case really of onwards and upwards. The question I would ask Members to ask themselves is: where is the earnings index going in future years? Already we have perhaps seen a bit of sabre-rattling about the public sector, there might be no increases over the next couple of years. Now, that is a significant factor in the movement in the earnings index because if that happens, then it is bad news for pensioners because 6,000-odd workers, the largest employment sector, are going to make a difference to the outcome. The other side of this is: whatever happened to the inflation strategy? If we had 1 per cent inflation we can say: "Well the pensioners are well off" but we have not got 1 per cent inflation, we have numbers higher than that. I do not know who is responsible:

the Minister for Economic Development or the Minister for Treasury and Resources. Can they tell this House during this debate where is the inflation strategy that is protecting pensioners so that their gas bill, or filling up their oil tank, or their groceries, does not go up by up to 20 per cent, which has happened. Are we going to give them some money or are we going to protect them from high prices? We have not done that, I do not believe, in certain areas. The other thing I think where the evidence proves this, the actual increase, if you look at it in monetary terms, in 2011 for a single pensioner, 2.5 per cent increase translated to £4.48. When you think about what you can do with £4.48 if you are going to, say, fill up an oil tank, go shopping, pay the rent, whatever it may be, it does not go very far. But in 2010 it was worse than that. The increase was just under £2. I remember at the time I had a cynical message left on my answer phone, thanking me very much for their £1.91 from a pensioner saying: "Can you tell me exactly what I should do with it?" It was in good taste but it was a cynical message. The question Members should ask themselves is: what could pensioners do with £1.90 in 2010 when that was their increase? The answer of course is: not very much indeed. If you add on to that the £4.48 that they have had last year, then some will be struggling a bit. I am not concerned about people who are living out of the Island and people who have had golden handshakes and stuff like that who might get it as well, we are looking here at middle-Jersey, pensioners who might be struggling but are not going to say very, very much about it. It is about real living costs because that is what this is about and that is where it has really hit people on some of the items that I have already mentioned there. Some of these increases were up to 20 per cent and more, and these are basic living costs. We could all produce facts and figures that say this, that and the other. I would ask Members to remember it is about reality. It is about real people living in real situations and this is what this proposition is about. This proposition was lodged before the election, so when I talk about the Minister, I talk about the previous one when I mentioned that dithering about, not the existing one, so there is a slight difference there. Of course Senator Le Gresley was not the Minister for Social Security when I wrote this proposition. But of course many of you were knocking on doors and you were showing people how concerned you were, how you understood what was going on, how you cared about this, that and the other. Well this, I would suggest to Members, is an opportunity - maybe the first one you have had - to show it in some practical terms. Because you know from those conversations how people were getting on or how they were not because they were sharing things with you and that is what the local politics is about. I have had a number of messages from pensioners, not many by email - phone calls and other things - and they are telling me exactly this: "Well I met so-and-so, yes, and they seemed a nice person. Yes, I am sure they will support you." I said: "Well I am not sure they will. I am not sure they will because things have moved on and they are now doing this, that and the other and they might not support this." "I am sure they will." Anyway, we shall see. Members will know exactly who I am talking about when I say that but, as I say, the end will be the result. Also, many of these pensioners have told me they will not be going to La Motte Street, they will not be queuing up for this bonus or that bonus. Senator Le Gresley knows this because I shared some correspondence with him not long ago. This was an ex-serviceman and he said: "I am not going anywhere near there. You can keep your income support. You can do this, that and the other. I will not be having their bonuses and they will not be measuring the temperature in my house or anything like that." I am sure the Senator might say that I did give him the correspondence. In the end I said: "Well unless you come in, unless you fill these forms in, we cannot do anything with you" and he said: "Forget it. I am an old serviceman, I am not doing this." That is people's pride. So it is not about rich people who do not need it, it is about some people in these situations. But what I hope this proposition does, I hope Members will realise this, the reason it seeks change is it recognises we are in a changed environment. The economy has changed, the plight of some pensioners has changed. Low interest rates. If they do have a few bob savings they are having to break into them. But most importantly I think is to do something about it and, again, that is what the proposition seeks to do. I am interested in some of the comments that the Social Security have

made because on page 2 it says: "The proposal to move to a more generous operating formula for pensioners"; well, that is not necessarily what I am saying. That has been written, I would suggest, by an accountant because it is misguided and the comments assumed more generous and that earnings will be less. But that is not the case if you look at the history: I think it is 16 out of the last 21 years, it was higher. My proposition says, to remind Members: "To agree that future annual increases in the old age pension should no longer be linked automatically to the Average Earnings Index" but of course they can be if it is higher, so a third of the case is made. They can be if it is higher, so it still applies if it is higher. Why is the Social Security Department - the Minister - making such a fuss? The other thing it says in their comments on page 3: "Linking both contribution ceilings and benefits to the earnings index ensures that the contributions of workers increase as their earnings increase." The second bullet point says: "The benefits paid to workers and pensioners also increase in line with earnings, ensuring that pensioners share in any growth in the economy." I would ask Members to question where is that growth going to come from that is going to benefit pensioners? I do not think it is going to be there and if it is, it is not going to be there this year or next or maybe even the year after. It is a longer-term thing. The other thing they say in their report further down: "Historically, the long-term growth of earnings in Jersey has been greater than that of prices. Since 1990, the Jersey R.P.I. has increased by 128 per cent (i.e. prices have more than doubled), while earnings have increased by 167 per cent. Prices have increased in Jersey at a faster rate than earnings in 6 out of the last 20 years." Those are the figures I have just mentioned. What I am saying in that case would have applied for only 6 out of the last 20 years. If Ministers are confident about the economy and the growth, then they should not have any problem whatsoever with this proposition. The other thing that has been touched on is comparisons with the U.K. and I would say that is probably not a good example. Because the pay-in period in the U.K. is 30 years as opposed to 45 here, so there is a significant difference there and although the base payments are higher in Jersey by a significant amount, in the U.K. pensioners have all sorts of benefits that are not necessarily means tested.

[12:15]

Television licences, for example, there are many medical, optical and G.P.s (General Practitioners). If you think of G.P. visits: if a pensioner has to get a visit at home from a G.P., say 2 visits in a week because of circumstances, that would be their pension gone. Absolutely wiped out. Gone. That is a fact. Some G.P.s are sympathetic to that and are charging different fees. There is also a dental situation again where pensioners in the U.K. are assisted. Also there are heating allowances up to £300 a year. Again, some of this is not means tested. So if somebody is going to compare with the U.K. then let us put the lot in because of course there are lots of lower living costs in the U.K. than here with the utilities. You can change your utilities, there are supermarkets going head to head even for small spenders like single pensioners, so it is not a direct comparison. I would say at this stage quite a few pensioners have contacted me about this because they are worried, but they are worried in a quiet sort of way. They are not going to be out there demonstrating or waving banners but they are watching the outcome of this. What they were asking me, as I say, a number have contacted me: "Do your colleagues really know how we are coping? Do they realise that Jersey is an expensive place to live?" When you are talking about somebody getting £180 a week it is not a lot for a single pensioner who has to maybe pay rent or other home charges and heat the place and whatever else. Also, as I mentioned before, some have some savings, they are not getting any interest; in fact, they are spending it. This is reality; this is what people are saying. Even some of those that have work-related pensions are saying: "Even with this we are still finding things are difficult." That is why I think we need to change the way that we calculate the increase in this pension benefit. The other thing that is contained in Social Security's report, it talks about continuity and change. Continuity and change in 1995 was a significant consultation exercise which resulted in contributions increasing from 10 per cent to 12.5 per cent over 5 years. It was

half a per cent a year and it was a fraction to the employer and a fraction to the employee. I remember at that time people were fairly precious, if you like, about their pensions. They said: "We do not mind paying, and we do not mind paying a bit extra" because many people do not have work-related pension schemes. Many do but a lot do not and they said: "No, we value our Social Security pension and we are willing to pay in extra for it." But what that said at the time, now that an earnings index is published, any betterment by salary increases greater than the cost of living could be reflected by similar increases in benefit rules, obviously only in arrears. The beneficiaries in Jersey would share in the Island's success as reflected by increases in earnings in excess of inflation. I might have got this wrong, and Deputy Southern might know more about it than I, but I do not know anybody in the last couple of years that has had a wage increase higher than inflation. I know many who have not had an increase at all or there has been a couple of per cent here and there but I do not know that. What was said then in 1995 might have been true; it is not true any longer. I do not have a crystal ball so I do not know when this situation will change, if indeed it will. That is the underlying thing behind my proposition: to put in some protection for pensioners. I also think in the Social Security comments that there is a bit of scaremongering in there because they are using 2069. That is some 57 years hence. To say: "Well, a bit of doom and gloom here." I will make an open offer: if I am still around and drawing my pension I will take everybody here to lunch in 57 years' time. But I am not saying we should ignore the problem. We should not ignore the problem, but then we can do something about it. The other thing they talked about is: "Should our children pay?" I do not have any problem with my kids paying for my pension. Not at all. Somebody should pay. Why should the existing working population not pay? What the pensioners are saying to me and have said to me is: "Hang on, who made this Island what it is? Who paid their taxes? Who has been working away? We do not want any rubbish from you lot. We want decent treatment." That is what they are saying. Is that fair? Is that reasonable? Now if we have to pay a few bob more, and it will not be a great deal, it is a fraction of a per cent, and our kids have to pay a bit more, I think that is good and healthy. That is good and healthy. Senator Routier is looking at me, I do not know if he has a problem with his kids paying a few bob more but I do not. It is a good discipline: pay for your old dad, he has earned it, or your mum or your granddad or your grandma. I think it is a good idea. A bit of respect for the elderly; good stuff. Essentially, pensioners said it was some of their work, some of their efforts and their taxes as well. They have contributed to the Island's economy and why do we not acknowledge this? That is what they are saying: "Do we have to beg? Do we have to go to La Motte Street and ask for a bonus and fill an 8-page form in to get this, that and the other? We do not want that. We would just rather have a few pounds so that we can live in comfort." The thing with this is, while it is many people in the community now working, it is about their future pensions as well because it is all they will have. If they are working in a shoe shop in King Street, there are no pension schemes. They rely on whatever the system will pay and I believe that that is the way forward. People are willing to pay and I think if the Minister was bold enough: "This is going to be ring-fenced so we cannot put bins in Victoria Avenue with it. It is going to be for pensions, it is going to be for people's future." As I said, many do not have occupational pensions. It is interesting because I understand, and I do not know for certain, but I think that the public sector pension increase has been recently nearly 5 per cent. Now, if people are producing documents and writing reports and things like that, this does not apply to them then if in the future we apply the same formula in the States pension scheme. We are paying 5 per cent, so do we have something wrong here? Do we have a mismatch where we are saying to the ordinary rank and file: "Well you can have that but if you work for us then we have this enhanced scheme where you are protected, you will get this, that and the other"? If somebody else acknowledges that perhaps they could share that during this discussion. But I would like to think that the Minister was bold enough and brave enough to take a longer-term view and think about pensions, think about elderly care and even primary health care and if there is something, let us get it on the table. Let us discuss it. If we have to increase contributions then let us do that. I

believe, from my understanding, it will get support because it is things that people want, people need and things that people worry about in the future: the costs of elderly care. Will they have enough in retirement to live? I think these things will flow if the Minister is brave enough and bold enough because I think the current system needs this review. That is the object of this proposition and it needs to reflect real-life situations, pensioners' basic living needs and it maintains real value, which it certainly has not the last couple of years. I hope Members will reflect on what I have said and remember that the people they met on the doorsteps, the ordinary folk out there who will not be waving banners or banging drums, they are in the community and some are struggling. I think if we support this it will not cure all the evils but it will certainly send the signal out to pensioners that we understand their situation, we are willing to support them but support them in a practical way and do so in something that reflects the time, the effort that they have given to the Island over the years. I make the proposition. Thank you.

The Deputy Bailiff:

Is the proposition seconded? **[Seconded]**

The Connétable of St. John:

Yes, and in doing so could I declare an interest as an old-age pensioner in retirement?

The Deputy Bailiff:

The interest is noted. Very well the proposition is now open for debate and I call on the Minister ...

Deputy M. Tadier:

Can I just make a point? It seems to me that there must be more than 2 people in the Assembly who are drawing their pensions, so it would probably be useful for us to now know who those are rather than it be done in piecemeal throughout the debate.

The Deputy Bailiff:

Very well, Deputy, I accept that. Would all those Members who are in receipt of a pension and wish to declare their interest kindly stand and the Greffier will make a note of your names?

Senator B.I. Le Marquand:

My wife has a pension.

The Deputy Bailiff:

Indeed, let us include the wives as well. If any of your children are drawing pensions ...? **[Laughter]** Senator Le Marquand, Senator Ferguson, the Connétable of Grouville, the Connétable of Trinity, the Deputy of St. Mary, the Connétable of St. Martin, the Connétable of St. Peter, Deputy Young and Deputy Le Hérisser. Very well. Thank you very much.

Connétable D.J. Murphy of Grouville:

I wonder if I might ask that anybody who hopes to be in receipt of a pension **[Laughter]** who is contributing to a pension also declares an interest. **[Approbation]**

6.2 Senator F. du H. Le Gresley (Minister for Social Security):

I like Senator Breckon **[Laughter]** and as many Members will know we share many of the same political beliefs. Historically, we frequently vote the same way. In his speech today he has presented an impassioned case for the introduction of triple-lock and has highlighted the financial impact on local pensioners of the recent recession and the introduction of G.S.T. (Goods and Services Tax). But as the Minister for Social Security, I am also fully committed to ensuring that pensioners have a decent standard of living. I was very pleased that one of my first actions as Minister was to introduce the legislation for a cold-weather bonus following my proposition as a

Back-Bencher last year. This bonus provides extra financial support for a specific group of local pensioners for their heating costs. So even though I like Senator Breckon, Members may be asking why I am asking them to vote against this proposition. There are 3 key reasons why I cannot support the introduction of a triple-lock uprating. Firstly, it is very expensive and the costs will increase progressively over time. Secondly, it is poorly targeted and so we will be spending money supporting pensioners who do not need our help. Thirdly, it creates a double impact on workers in times of poor economic activity. I would now like to look at these 3 areas in turn. The proposal is very expensive. Senator Breckon's report makes no mention of the possible cost of the triple-lock, nor who will have to pay for it. As he said in his speech, this proposition was published in October last year before the Government Actuary had provided any estimate of his costs. We now have these figures. The Government Actuary gave a presentation to States Members in early February and the relevant slides are included on pages 12 and 13 of my comments as Appendix 2. The Actuary considered 2 scenarios: firstly, where R.P.I. (O.A.P.) (Old Age Pensioners) exceeds the earnings index by 1 per cent every 5 years and, secondly, where it exceeds it by 1 per cent every other year. These show the significant cost of Senator Breckon's proposal. Under the first scenario by 2029 it could cost an extra £8 million a year, rising to £18 million by 2049, and £30 million by 2069. However, under the second scenario by 2029 the additional costs could be £20 million, rising to £49 million by 2049 and £82 million by 2069. Last year this Assembly agreed to increase the pension age from 65 to 67 by 2031. In doing that, States Members acknowledged the increasing cost of pensions in the future due to the ageing population and the need to take steps to control that cost and to take steps to limit the inevitable rise in contribution rates. Increasing the generosity of old age pensions as proposed by Senator Breckon would basically cancel out the benefit of the increase in the pension age. The cost of triple-lock would mean that workers would need to work for the extra 2 years as well as paying higher contribution rates.

[12:30]

On page 9 of my report you can see the impact of this proposal applied to a worker receiving the average full-time wage of £650. The current contribution cost of £68.25 per week could almost double by 2069 if triple-lock resulted in a 1 per cent increase above the average earnings indexed every other year. The second table on page 9 shows the increased costs to the Social Security Fund associated with triple-lock and also that these costs accumulate from year to year. I really must stress to Members that triple-lock locks-in historic increases in R.P.I. so that pensioners continue to receive a higher rate of pension in all future years. The longer a triple-lock mechanism operates, the higher the pension will be compared to both increases in earnings and increases in price. The link to a fixed percentage increase rate in the triple-lock calculation could create significant difficulties for the Social Security Fund in the future. Senator Breckon's report is silent on this matter and in his speech he made no real reference to this. But the impact of a guaranteed increase of 2.5 per cent in a year in which earnings and prices remain more or less constant or even fall is a real increase in the value of the pension measured against both earnings and the cost of buying goods. The second reason why I cannot support this proposition is because it is poorly targeted. It is interesting that during his speech Senator Breckon said: "I am not looking at people living outside Jersey." Well his proposition is going to benefit people living outside Jersey. Triple-lock will undoubtedly provide a higher pension to local elderly people but it will also provide a higher pension to over 10,000 pensioners living abroad. Locally the pension will be paid to everyone from multi-millionaires to income support claimants. A breakdown of pensions as at 1st March of this year showed that 6 pensioners out of every 10 are paid in Jersey with 2 in 10 paid to the U.K. and the remaining 2 in 10 paid to other countries. Within Jersey itself, pensioners of course have a wide range of incomes. The Social Security pension quite rightly is not means tested and is available to anyone who has paid sufficient contributions. Just over half of the pensioner households in Jersey have an income high enough to pay income tax. We already have a number of

benefits in Jersey aimed at pensioners with lower incomes who do not pay tax. These include help with health costs through the 65 Plus Health Scheme, TV licences for the over-75s, a bonus to cover food and G.S.T. costs as well as the new bonus to help with heating costs. I fully support the need to make sure that pensioners have a decent standard of living and I would be very open to suggestions to create new targeted benefits that provide help directly to low and middle-income pensioners rather than a blanket increase of the value of the old age pension itself. The final reason why I cannot support Senator Breckon is because our workers are hit twice by this proposal. The main aim of triple-lock is to protect pension incomes in a year in which prices rise faster than wages. To pay for this protection, workers and their employers will need to pay higher contribution rates. The reality of triple-lock is that a worker is hit twice. In a year in which prices do rise faster than earnings, the worker will see a decrease in his own buying power but he will also be paying higher contributions to ensure that pensioners do not see any reduction in buying power but instead receive a pension increase in line with the rise in prices. The current generation of pensioners have not and will not have to make any financial contribution towards this proposed higher rate of pension. By contrast, the current generation of workers are already faced with higher contribution costs and a longer working life. In addition there are likely to be new charges over the next few years to meet the increasing costs of long-term care and health and social care. The Social Security system relies on a balance between the contributions paid in by workers and their employers and the benefits and pensions paid out. Increasing the generosity of pensions at the expense of workers damages that balance. The current economic downturn has affected all families in Jersey, not just pensioners. We are all feeling the pinch and this States Assembly would need to justify very carefully raising extra contributions from workers and employers at a time of recession. I have to inform this House that if this proposition is approved today I will have to give very serious consideration to increasing contribution rates for employers and employees later this year, at the same time as the legislation for the triple-lock mechanism would be introduced. Before I finish I would like to examine the argument that the value of the pension has not reflected the recent introduction of G.S.T. A very substantial portion of Jersey pensions are paid to pensioners living in Britain and overseas and I believe it would not be appropriate to use the pension to compensate for the introduction of a tax that is only paid by people living in Jersey. It is correct that the pension did not take account of the introduction of G.S.T. What was done at the time was to make sure that people living in Jersey did get appropriate help. All pensioners on income support, which are about 10 per cent of our pensioners, were fully protected from the introduction of G.S.T. in 2008 and the increase to 5 per cent last year. In 2008 and 2011 income support rates were increased on the very same day that the G.S.T. rates changed. In 2008 a new benefit called G.S.T. Bonus was introduced for pensioners and others with incomes above the level of income support but below the tax threshold. This covers approximately 19 per cent of our pensioners. This benefit now stands at £193 per annum and provides substantial assistance to this group of pensioners and is equivalent to £3.72 per week. In 2008 income tax thresholds were increased, reducing the tax liability of higher-income pensioners to partially compensate for the introduction of G.S.T. Between them these 3 measures provided well-targeted and appropriate assistance to all local pensioners, except those on very high incomes. I would just like to pick up on a couple of comments that Senator Breckon made. He used a very strange expression: "If we have to pay [that is more] contributions from workers, a few bob, so that is okay." I am afraid, I find that very casual in the extreme to suggest that. I have shown in my speech that it is a lot more than a few bob. He also suggested that the Minister should be bold and brave enough to think about the long-term. Well, the very reason I am standing here opposing this proposition is because I am bold and brave. It is very easy, my heart would be with Senator Breckon, but my brain tells me that we cannot afford this. In conclusion, I urge Members to vote with their heads, not their hearts, and reject this proposition. I repeat that I firmly believe the States of Jersey has an obligation to protect local pensioners and ensure that they have a reasonable standard of living. I am very willing to meet Senator Breckon or any other States

Member to discuss possible ways to improve targeted support to local pensioners but the triple-lock proposal is expensive, poorly targeted and unfair on our workers. We should all be proud of our Social Security pension. My predecessors as Minister or Committee President have made wise and far-sighted decisions over the years to protect the pension and ensure its long-term viability. I hope to follow in their footsteps and do everything in my power to maintain the old age pension and ensure that it is still available to our children and their grandchildren. Thank you. **[Approbation]**

6.3 Deputy R.J. Rondel:

I stand up today in support of Senator Breckon's proposition to link the old age pension in line with the higher of the average earnings index, the R.P.I. pensioners' index produced by the Statistics Unit or the figure of 2.5 per cent. I would not be supporting the proposition if interest rates currently stood at 8 per cent, 7 per cent or even 6 per cent but the fact is that pensioners are suffering more than most, as many are not able to work. They are receiving virtually nothing on their lifetime savings as well as being given a supposed increase on their present pensions that in real terms falls well below the cost of living. When examining this particular demographic it is important to remember that this generation have lived through many hard times and in general they live very modestly. I have visited several parishioners that live in my district. Many of them are struggling. After paying for heating, food, doctors' bills and medicine, very little is left for luxuries such as buying birthday gifts for their grandchildren but still they do not complain. We have seen recently through the Advance to Work initiative and the Advance Plus Scheme that we are doing our best for those trying to enter the world of work. We must now do the same for those leaving it. During times of hardship and struggle one must not sit on their hands, but stand up and ensure everyone is provided for. The demographics inside this Chamber do not accurately reflect our society and we must ensure that we do our part to better represent everyone. This was one of my primary reasons for standing for the States. I visited one elderly lady recently during the cold spell. She took about 5 minutes to come to the door. She lived on her own in a family house, a house bought and paid for by her and her husband. They worked extremely hard throughout their lives, a house she was proud of. Her husband is now in St. Saviour Hospital with Alzheimer's. She took me into a room that she now uses as her kitchen, lounge and living room. She had one bulb as light and an old TV in the corner. She was sitting about 3 feet from a coal and log fire where she also read her books. There was no other heating in the house so she had moved into a room above to use as the bedroom because the heat from the room we were in rose to the room above to keep it warm. She has never claimed anything off the States other than her pension, and she was happy. It is people like this that need to be helped. We can do more and we must do more. I am supporting this proposition because every week I hear from constituents that people are abusing our income support system. I also recently visited 2 middle-aged constituents that work in the Health sector for the States. They work long and arduous hours and complained to me how they have neighbours that live off income support and were disillusioned with their neighbours when their neighbours arrived back to their flat with a brand new flat-screen L.C.D. (liquid crystal display) TV. Our system needs addressing as at the moment the old welfare system under the Parishes worked more efficiently. People must not be able to be better off out of work than in full-time employment. The ethos of dependency and helping our neighbour cannot be exploited by those who are able to contribute.

[12:45]

Finally, I am supporting this proposition because all I have heard recently is that our finances are in very, very good shape. I believe the term being bandied around the Island currently through the media is "positive Jersey." I am pleased to hear and congratulate the Minister for Treasury and Resources for our sound financial position but if we are going to promote positivity during this time of hardship, then we must support our pensioners further. They have been using the capital of their

life savings - their rainy day fund - for several years while we still have not. The Strategic Plan talks about social responsibility. I am a fan of the buzz words that we hear: “positive Jersey”, “social responsibility” and many others. I do not wish to hear any more spin; I want to see tangible results. By supporting this proposition we can prove to the public that we do take our social responsibility seriously. We are truly fortunate that a vast amount of pensioners give up their time to take on voluntary work within the Island, work that could otherwise cost this Government large sums of money. Recognition is no longer enough. We must offer action, the first steps being to accept this proposition. If or when interest rates rise again to around 6 per cent or above, then we could review this method, but until then we must be proactive. I am therefore pleased to support our pensioners and Senator Breckon’s proposition. Thank you. **[Approbation]**

LUNCHEON ADJOURNMENT PROPOSED

Senator P.F. Routier:

I propose the adjournment.

The Deputy Bailiff:

The adjournment is proposed. The States stand adjourned until 2.15 p.m. this afternoon.

[12:46]

LUNCHEON ADJOURNMENT

[14:19]

6.4 Senator P.F.C. Ozouf:

Public finances are in order to look after our senior citizens. As the systems of National Insurance and Social Security has been merged into a taxation system, Jersey has remained consistent in having a pension scheme that is stand-alone, that is funded from contributions, that people have a certainty in knowing what they get. We, for the last 10 years, have increased our Social Security pensions by earnings. It is true that in the last 2 years earnings have not reached the level of inflation but we are not short-term decision-makers in this Assembly, we are long-term decision-makers. If we are understanding of Jersey’s recent and past economic success, and if we are confident about our future economic success, then we know that keeping an uprating of Social Security pensions by earnings, our pensioners will be better off; our pensioners will share in the proceeds of economic growth in the longer term. Members will be also wanting to think about the state of our benefit system and our benefit arrangements for pensioners. They will want to reflect in their decision today whether or not we are doing enough for pensioners. I would remind Deputy Rondel, who speaks very passionately about people in his constituency, that this Assembly is going to be the Assembly that is going to introduce a major, important, new benefit for old age pensioners in Jersey. The individual that he cites will be in receipt of a benefit to keep that individual in their home immediately in terms of the new residential care scheme which will come into force. That is not a scheme which that individual will have contributed to but a scheme which the current working generation will be providing for: a pay-as-you-go scheme. Some people will say that that is not right, that it should not be matched, that there should not be a benefit arising to somebody who has not contributed. I support the previous positions of the Minister for Social Security in breaking this new policy and bringing in place this new benefit which will be a universal benefit available to the very people that Deputy Rondel is concerned about that are going to be able to be looked after in their own home but they are not going to have to worry about selling their home to look after their costs. I would also say to Deputy Rondel that he should remember the significant benefit that has been given to low-income and pensioner households in the Island as a result of the environmental grants that have been given to people with homes. There are hundreds, if not thousands, of pensioners’ homes that have been insulated, that have been significantly improved so

that heating costs can be reduced and those services provided for nothing. I hope that if Deputy Rondel has not visited any of his constituencies that have been in receipt of thermostat controls, additional insulation in their roof, cladding and all the other new arrangements, then I shall certainly be willing - and I am sure other Members would be willing - to take Deputy Rondel to pensioner households that have benefited from this significant new benefit that was put in place 2 years ago. Also the Minister for Social Security has explained the new fuel subsidy that has been put in place for people not in receipt of income support and those not paying tax. The editorial of the *Jersey Evening Post* said that the Minister for Treasury and Resources should be supportive of this move. Yes, it is true that we stand today with our public finances in Jersey in a much better position than in other places. This is not, however, expenditure from our public finances. This is a debate about expenditure from the ring-fenced Social Security Fund. It must be right that therefore the Minister for Social Security is listened to, that his concerns about needing to increase the employer and the employee contribution, which will be necessary if we put in place this triple-lock, will have to be dealt with. We are not dealing with taxation here; we are dealing with the Social Security Fund and its affordability. I want to be part of an Assembly in the next 3 years that does continue the process of making life easier for families, working families and pensioner households in the Island, as we bear the fruits of the difficult decisions that the previous Assembly made in terms of putting our public finances in order. I want this Assembly to be an Assembly which will vote for increased money for health spending to look after our senior citizens, that will look after senior citizens in an appropriate and dignified way by continuing to support targeted measures for income support. Where there is injustice, where there are problems in relation to pensioner households, let us work as an Assembly on the basis of our positive and better financial circumstances. Let us use that for targeted and appropriate benefits. Let us take lessons from other places that have, in the heat of the moment, listening to the emotional short-term arguments, ultimately caused difficulty for their long-term public finances. To put in place a triple-lock, as the Senator is asking, will compromise the ability of the Social Security Fund to deliver what it is intended to do. I urge Members to reject this proposition but in doing so, ask and send a clear message to the Minister for Social Security and the Council of Ministers that Members of this Assembly are looking for additional ways for us to further improve what I believe is, and I am proud to say, an already improving situation for pensioners, particularly pensioners that will be looking forward over the next 12 to 24 months to this new valuable support to look after pensioners in their own homes and in residential homes.

6.5 Deputy M. Tadier:

I think we need to bring this back because there is becoming something of a myth that may be slipping in here that Senator Breckon is asking for basically a hike in what pensioners receive. Now, I think what Senator Breckon is trying to do, and hopefully what we appreciate, is that rather than trying to secure a massive increase for pensioners, he is simply trying to stop the erosion that is happening to those on a fixed income, a pension. We know that has already been alluded to by a previous speaker, that the savings in the bank from which many old age pensioners would have survived or certainly partially depended on is not there any more. We are not seeing the 4, 5, 6, maybe even 7 per cent interest rates which they could have expected and would have relied on in the past. We are seeing virtually zero percentage saving rates even in savings bank accounts, so let us simply put that in context. I think what Senator Breckon is trying to do is a very laudable thing and also the correct thing to do. He is saying that it is not sensible any more, in this day and age, to simply link a pension to the average earnings index. It does not make sense. If you are a pensioner it is not really relevant to link it to your earnings, your income, which has nothing to do with current wages. What affects you as a pensioner is the everyday cost of living, whether that be to do with heating, whether it be to do with road fuel, or whether it is to do with bread, milk or the groceries which are going up much above the cost of the increases in the average earnings. I think

that is completely sensible. Senator Breckon is simply seeking to break the illogical and perhaps anachronistic link which is to do with earnings. I think we have heard also some myths today but before we talk about those I want to comment on what the Minister for Treasury and Resources has been saying. Of course it is right that we do carry on with initiatives such as the insulation of houses. There are all these things which can go on in the background. I think it is worth noting that of course when it comes to things like the energy insulations in homes, of course, many of the homes which will be inhabited and will have been purchased by those perhaps 65 and over did not benefit from the same building standards as today, so that is simply a way of playing catch-up to them. Of course, those who are working and the younger generation can expect to have homes which are built to higher energy standards anyway; that is not something which comes on their radar. So this is simply a catch-up; it is not an either/or. We cannot simply say: "We are doing this already for pensioners and those on lower incomes so therefore we do not have to make sure that their pensions are increased." Now, the myth I think - one of them - is to say: "We are going to be benefiting those who do not need an increase in their pension." But this is not logical because pensioners, no matter where they are on the socioeconomic scale are entitled to their pension. They have paid into it in the past for those who are coming through and they are entitled to get their pensions. It is simply a nonsense to say: "Well we want to target it to those who are perhaps lower earners" because everybody has made a contribution through their lives. The pension is fixed. If one has other assets besides that, that is a completely different issue. This is simply to ensure that the value of their pension that gets paid every week to them is not going down but it is staying the same or perhaps staying slightly ahead because we know what the pressures are for those on limited and fixed incomes in Jersey. The other issue which I thought was strange was a great deal of emphasis was placed on those pensioners who live overseas. Now, of course we were told, I think, that only 6 out of 10 of those in receipt of the pension are in Jersey.

[14:30]

Now I imagine that obviously those figures may need to be scrutinised in greater detail because there will be those who are temporarily out of the Island at any one time. They may spend 3 months of the year in Spain or wherever. They may spend some of their time in the U.K. living with family and come back into Jersey. But simply we must remind ourselves that the majority of those in receipt of the Jersey pension, the vast majority do live in the Island. It is a nonsense to try and suggest that we should not be basing any increases because some pensioners might live elsewhere. We cannot obviously take into account the V.A.T. in England, we cannot take into account whether people want to choose to live somewhere else, either temporarily or permanently, once they have retired. We have a Jersey pension which is based on Jersey rates and on the Jersey cost of living and that is the way it must be, but of course there are always going to be exceptions. That is not a reason to throw the baby out with the bathwater. We are talking about a more targeted way of helping people. Where is this help? We know that of course we have a very minimal safety net in Jersey. The Minister talks about targeted help and quotes that 19 per cent of pensioners (I think it was 19 per cent; he will correct me if I am wrong) are in receipt of the G.S.T. bonus. That is less than one-fifth of our pensioners. Now are we really saying that only one-fifth of our pensioners are somewhere on the poverty line? Are we saying that 80 per cent of pensioners in Jersey are well off, they do not need to watch their money, they do not live a frugal existence? This is complete nonsense. I would suggest that the majority of pensioners that I know in my constituency are in the same boat as those talked about by Deputy Rondel. This is not a head and heart issue, this is a complete nonsense of a dichotomy here. The 2 go hand in hand and it is refreshing to hear a new Deputy like Deputy Rondel talking about how this affects people on the street, in their own homes, people living in their own rooms, people who in the past perhaps would have been better off than they are today. So we cannot separate the 2 but it does boil down to money; I completely admit that. We have to start making the tough decisions in this States

Assembly to say: “Well if we are going to say we are going to secure the future of the value of the current Social Security pension, then we have to put more money in the pot one way or the other.” This will not go away. To simply say: “We are going to do this in another way” I am afraid does not wash. We have to get down to the nitty-gritty. We are going to see Social Security contributions going up. That is a fact, they will have to go up. If we really do want to target better and make sure that those who are more well-off contribute more, then let us have progressive taxation and I know this is something that the Minister for Social Security supports, hopefully still. He said that in his election speeches. He supports a higher rate of income tax for those who earn more. Maybe in his summing-up he would address that because if the Minister supports a higher rate of tax for those who can afford to pay more, then that is one of those areas which the money can come from, whether it be through Social Security contributions or through income tax or a mixture of the 2. So the Minister does have at his disposal and he is ideologically in favour of increasing the pot. Because he knows from his time at the Citizens Advice Bureau (it cannot be that long ago since becoming Minister that all of those values and all of that knowledge has disappeared) that people are struggling in Jersey. He knows that there is not sufficient money being put into the pot in the first place. He is in a position to increase the pot over the next few years going forward so that we can give today and in the short-term, medium-term and long-term a pension which is worth giving to our pensioners, whether it be right now or whether it be when we are in the position of drawing our own pension. I would ask Members to support this proposition. We should be a ‘can do’ government. We should not simply say: “The money is not there.” We can put the money there and we can work towards a more equitable society, which we will be discussing in the Strategic Plan. Will it simply be buzz words, will it be spin, or is it going to be something that we can physically do in the tangible to help those in our society who need it the most?

Senator F. du H. Le Gresley:

Could I clarify something with the last speaker?

The Deputy Bailiff:

It sounds as though you wish to make a second speech?

Senator F. du H. Le Gresley:

No, I just want to clarify what he said about cold weather payments and the percentages, can I ask him just to repeat what he said?

Deputy M. Tadier:

I think any clarification is helpful if it is germane to the debate.

6.6 Senator F. du H. Le Gresley:

I think he said that in my speech I mentioned 19 per cent of pensioners qualify for the cold weather bonus; that is absolutely correct.

Deputy M. Tadier:

I am sorry, I thought the Minister was talking about the G.S.T. bonus, but if it is a different bonus...

Senator F. du H. Le Gresley:

May I just finish then? The cold weather bonus, correct, it is 19 per cent of pensioners who qualify and 10 per cent of pensioners are on income support and qualify for cold weather payments.

6.7 Deputy J.A. Martin:

I apologise for not being in the House on Deputy Rondel's maiden speech but I heard him downstairs in the computer room and on many a day I could have even felt the passion of one my speeches in his words. I am standing here today weighing-up so many issues that we had this morning. I cannot remember which Minister now replied, but said 100 people out of work will cost Social Security £800,000. Well, we know we have got 1,000 coming down the line, unless somebody does something quick which apparently, I am told by another No. 1 District Deputy - Deputy Baker - that we can pay, although I said this morning we could not, but there is work to be done and the work should be done. But I am looking at that, I am wrestling with a minimum of £8,000,000 to our unemployed, then I have got our youngsters who are coming up now: there are school leavers leaving; the college-leavers are leaving now, and they are going out to nothing. If their parents are not fortunate, or let us say unfortunate enough to be on income support, there is not a penny for them. Nothing. It was taken away like that. I think the amount they were given was too much but I think taking it away like that to give them some sort of incentive, again, was wrong. We do knee-jerk reactions. Now, unless I am reading this wrong (and I think Senator Breckon and I normally get on better than he and Senator Le Gresley) but I may in this debate have to read his figures, how they work. Now, from 1990 to 2011 under both sets of figures, I can see 8 per cent, I can see 3.1 per cent, 4.9 per cent, 3.9 per cent; again, only once has it dipped down below 2.5 per cent. So it all seems to me we are having a knee-jerk reaction in this House for something that is hitting - and I agree - some of the vulnerable. Again, this is across the board, and I do think we are now supposed to be targeted. What I will say, I have concerns and you might not believe it but I am still slightly open-minded on which way I am going to go, but I really do not know where the money is coming from. We have frozen the public sector work pay for 2 years; pain. But there is pain out there, if anyone is sitting around here thinking there is not more pain coming, just wait until we get the unemployment figures when Indigo go. They have all got their letters, some might stay, but they are quite a big employer. They are a big employer through other agencies: they are employers for our youth as well on a day-to-day basis, so do not forget we are going to get pain. What I do disagree with, and maybe what the Minister for Treasury and Resources is saying, the people who will benefit from long-term care is anyone over 65 who needs residential and have paid into it in some way. If they have worked all their life in Jersey they have scrimped and saved to buy their own house, it is only common sense and a right because why would you bother if you have got to sell it in your old age? It is one of those things that I do not agree with the Minister. One thing I do agree with the Minister is why are we starting a fund that someone can withdraw from within 6 months? Why do we not make sure that ... all right, not sell-off people's houses but it is in our covenant, we can bring an amendment to that: collect money for 5 years before you start paying it out but maybe let the people in the meantime keep their own homes because so many are already in a bond to the Parish or to Social Security: "When I go, you sell my house, you get your money back." That is not fair, so I do not agree there with the Minister for Treasury and Resources. One last thing that I will be watching ... as I say, I am not sure because there is so much out there that we do not know and I cannot see these figures. Yes, we have had a couple of downs and the interest rate, as somebody said, they would not be supporting Senator Breckon if the interest rate was 8 per cent or 6 per cent. It was like that for years, the people who had money in the bank, they were getting the money; people who were borrowing (mortgages and that) they were paying out the money. So there is a fair playing field somewhere, we cannot have any control over that, it is the Bank of England and that is where it comes from, so do not think we can change that. But the last thing that I will address, what makes me slightly concerned - but I do not think this will crack it - is the written question from Deputy Southern to the Minister for Housing. We know we have got on the table rents to rise by 20 per cent, now, my concern in the answer is we have 21 per cent to 40 per cent and 41 per cent to 60 per cent who are below market levels, 40 per cent of them between the 21 per cent and 40 per cent, and 29 per cent are 41 per cent to 60 per cent behind. I know when myself and Deputy Southern did the Scrutiny of

income support and there were monies going to be taken away, the majority (as I say, it is too late for today unless the Minister for Housing does have this) the 20 per cent of people who are paying top rent who will not be protected by income support are already pensioners. You will find in that 41 to 60 per cent lower bracket than the market value; well, they might be lower but they are living in a small bedsit or a one-bed States flat, so these are the people you will be hitting again. Now, this is when I start to worry am I completely going mad because I agree totally with the sentiment of Deputy Rondel. I see what Senator Breckon is trying to do but I feel we are trying to give money, money, money: this will be across the board again and I do not think we have enough there. I want help for everybody. I am fighting for the youngsters, I am fighting for back to work; I am fighting ... where is the £8 million coming from? It has got to be found, unless we have a miracle overnight, it does not take much working out, we will have another 1,000 unemployed of all ages. It will have a knock-on effect on their families so, as I say, I will keep my options open. At the moment, with the figures presented, unless I have read them wrong, when Senator Breckon sums up ... I do think we are having a knee-jerk reaction to something which is not where I would want us to be. But we are told that interest rates are rising, it is the triple bit I think that is getting me because, if it is not that and not that, it must be that. But what if it is that and is that? Still, it is going to be ... we are talking average on a year: add up the 20 years (Deputy Duhamel behind me is better at the maths) of the 8 per cent and the 9 per cent and the 4.9 per cent rises, divide them by 20 and then tell me exactly what everyone has got each year. I think you will find it is around or more, definitely more, than the 2.5 per cent. The Chief Minister is nodding and I know in his former life he did do accounts, so I would probably be guided by him. I will leave it at that, but I am very torn on this one, I just cannot see where the money is coming from and I do not like to hear where it is going to be coming from. You cannot take it from youngsters who are not working.

6.8 Deputy S.G. Lucas of St. Martin:

Senator Breckon certainly knows how to pressurise new Members of this House and I was one of those who stood on doorsteps not very long ago and promised the elderly parishioners of St. Martin that I would support them. I am also committed to supporting the men, women and children of St. Martin and I also have that responsibility to take into consideration. This is a very difficult debate and I believe that everybody in this House will, without exception, want to support the elderly. But how you go out to the men and women of the Island who are experiencing the hikes in fuel, the extra cost of food and supporting their families and ask them to increase their Social Security contributions, and then send 40 per cent of those contributions off the Island: it is difficult to justify. There must be any number of ways of directing aid to the people who really need it and I am well aware that many of them do, especially the elderly. So we need to do more but I believe that we can do better than the proposition we have in front of us today. Unfortunately, I cannot support this proposition, but I would urge Senator Breckon to take up the offer of the Minister for Social Security and I would encourage the Minister for Social Security to work with Senator Breckon to find some new initiatives of targeting some new aid to those elderly people on the Island that really need it.

[14:45]

6.9 Deputy J.H. Young:

I have got to declare that I have a part pension from the States and I also have a pension from the Public Employees Pension Fund, because in response to Senator Breckon's question I, as I suppose all members of the fund I am in, got 4.7 per cent minus, which is the cost of living minus an abatement of 0.3 per cent. Of course, I think that raises for me the moral issue. Now, this is portrayed in this debate as head and heart and the suggestion that anybody who votes for this proposition in the Assembly is somehow being irresponsible I do not accept. I think it is right that Members also consider their belief and their conviction in the type of society that we live in and the

importance of principles and fairness in equity in those arrangements. The argument for me is about the community supporting those members of the community that have invested their best years and their working years in building-up the Island to what it is today. All of us have benefitted in so many ways that one could not possibly quantify that. Of course, that does include building-up the funds which we currently enjoy. It also must be right that productive members of society support our retired citizens, otherwise what type of life are we going to go into? The point here is that pensioners do not have the opportunity that working members of society do, which is to increase their income and earn more, to make life choices, take on additional jobs and so on, to increase their income. Pensioners are on fixed income, those doors are closed and of course, in many cases, they are also faced (those with any savings, and not everybody) with nil or very low interest rates on their savings, as Deputy Rondel reminded us. Now, when I read the report for the reasons why we should not support Senator Breckon, I noticed that it says that 50 per cent of pensioners pay income tax and I suppose that is trying to say we have got a lot of well-off pensioners. But I see it the other way around: it means that there are 50 per cent of our pensioners that are earning below income tax levels. Then also I think it was mentioned - I cannot see it in the report but I think Senator Le Gresley mentioned it - that 10 per cent of pensioners receive income support. That suggests to me that, of course, they are earning at such a very low level that they need that supplementation. Now, that leaves 40 per cent. I apologise for my puerile maths but 40 per cent is 6,000 pensioners. That is a lot of people. I was elected in St. Brelade No. 1, which is not a district populated with a very large number of pensioners on the breadline, but there are some and met them, and I certainly empathise with what Deputy Rondel reminded us about. I also was not impressed with the argument in the comments to the Minister against that 40 per cent of pensioners live outside the Island and that is all right then, as it were. It is not impossible that many of those have found the cost of living in Jersey so high they are going off-Island to go and live in the U.K. and other places, and it is not impossible for the Minister to come back with some change there to address that. For example, I accept the logic that if people are getting pensions and they are not incurring those costs elsewhere - and that is a judgment that needs to be made - that some rules can be put on that, but to me it is not a reason for not supporting. Then we have got the argument of non-targeting benefits. Now, I think in an ideal world one would agree with that but I do not think this is a reason for not approving it. It is not those pensioners' fault that the low contribution ceiling has been retained for so many years. Now, I know recently there has been an adjustment made but I think it would have been possible over previous years for those ceilings to be raised and for that fund to be built-up and looked ahead rather than leave us in a position we are taking now. We have got with the change to the ceiling which has now put on a 2 per cent increase on employers up to a ceiling of £150,000, which results in an overall effective rate of contributions in total of 3.3 per cent for higher earners at its maximum. That strikes me that still leaves scope for additional contributions. I know that many Members have said they do not want to see any impact, but I think this fund is a long-term fund and if this proposition is approved the Minister has the opportunity to look at those projections and come back to this House with some proposals which would enable the principles of Senator Breckon's proposal to be adopted and give some relief to those pensioners that are struggling. I do not believe, as I mentioned earlier, that the system of extra benefit will deal with it. I think the culture of senior citizens is not of complaining, nor queuing up and facing the indignities and bureaucracy of filling 30-page questionnaires, or what have you, for income support. They effectively take the view that they have paid in during their working lives and society gives them what it thinks they are worth and, thankfully, that is an example to us, in my view. The proposition that we have, I have to say, is not an ideal one and I do not want to be unduly negative. It is unfortunate too that the comments of Social Security did not come until the end of March because I think there are a few points in there that, if there had been the opportunity, there might have been some amendments possible to try and adjust and deal with those points in Senator Breckon's proposition that I think may require some looking at in terms of

the Minister's response if it is approved. In particular obviously the 2.5 per cent figure is a problem, and I mused over this, when I first looked at it I thought: "Well, I can see the logic, except the 2.5 per cent" and the only thing I can see there is: "Well, that is what they did in the U.K.", so I thought: "Well, is that ever likely to happen? Is it ever likely to be triggered?" I think I have found that when earnings are high it is likely to that inflation is high and I think the way it will work is that the 2.5 per cent will never be triggered; very unlikely. So either we will see the see-saw between periods of high earnings and lower costs or both at the same time, I do not see a scenario where we are going to have low earnings increase and low inflation. There is very little evidence to see that, so I think the risks, therefore, do favour going with the proposition as it is, and so I would urge Members in the absence of having got a different proposal from the Minister that addressed this real issue of pensioner poverty, that I think the proposition we have from Senator Breckon is a good one. If it is approved, we have got the opportunity in future years to revise the calculations and refine it and to bring adjustments through into contributions rate. So I think, with that, my judgment is that I will support it.

6.10 The Connétable of St. Brelade:

It is not often I do not agree with Deputy Martin but I do not agree with her that this is a knee-jerk reaction, I think it is a considered approach. I cannot agree with her that interest rates are rising because they are clearly not going to in the near future, so I do not think there is any respite for savers, certainly from pensioners' point of view, in the near future. I applaud Deputy Rondel's excellent speech prior to lunch which I believe showed a true understanding of the plight of many of our senior citizens. Although the Minister for Social Security stated that other benefits are available to pensioner, many, I believe, are too proud to ask for them, preferring to live off a pension or married pension, even if they struggle to make ends meet. I was interested to examine what support or indeed hope was given to our senior citizens in the 2012 Strategic Plan. On going through it, many other groups are offered encouragement for the future and that government is working for them, for example, young people and the unemployed, and obviously that is right and necessary. But older Jersey citizens I do not believe are given the consideration they deserve. Warnings are given over the increasing numbers of Islanders reaching retirement age, along with the need to resource provision for those extra pensioners. We are also advised that planning for retirement through various different income streams is vital; but does this assist those that are currently on a States pension? And the answer is no. The strategic plan does recognise that adequate income is an area for consideration when co-ordinating social policy. Over the past few years high increases in food, heating, motoring and other areas must put in doubt whether the current pension provision is indeed adequate. I for one took out a private pension scheme in my early 20s and saw it decimated by several stock market crashes. Many of our pensioners must be in a similar position. Low interest rates affect the ability for pensioners to increase the income with their savings and I am afraid good old bricks and mortar have been hit with a slump in the property market which also prevents many senior citizens, in my view, from being able to downsize and then augment their income from that direction. I often feel embarrassed discussing or debating issues that fundamentally affect my peers, and I have got to say some of them are sitting in here today. Dignity in your senior years should be respected by all, as we expect our children and grandchildren to respect their elders. There will, of course, be a cost to supporting this proposition but to retain the dignity of our senior citizens it is important that we find this extra money, if necessary by a small rise in our Social Security contributions. Now, a rise in contributions will be seen by some (and the Minister for Economic Development is probably one) to be another burden on business at a difficult economic time. I am in business, albeit in a small way, but I feel the business community will understand the need to support all those who have contributed to this Island and the life that we all enjoy, throughout their lives. Having met many senior citizens during

or since the last election who I know are struggling to make ends meet, I must urge Members to support Deputy Breckon's proposition. Thank you for your support.

6.11 Deputy T.M. Pitman:

One of the great flaws of our free market capitalist system is that governments regularly hit the old and the very young because they are nice soft targets, are they not? We hit them because they cannot fight back as easily as some. Like the speaker before me, I think that those who have made Jersey great and made it what it is deserve to be treated with dignity and it should be something that this House really takes to heart. Just because you are old does not mean you are useless. It is a big fault in the West that we do not really value the knowledge and the wisdom that those people have and maybe it is something that all of us need to think about a little bit more. I must say that I also find it remarkable that when a Minister brings forward moves to give everyone, even multimillionaires, free prescriptions just before he is up for re-election, we hear nothing, not a dicky-bird, from the executive about targeting. Yet Senator Breckon brings this as a Back-Bencher and suddenly there is the argument again. Strange, is it not? Nevertheless, I have to say that my colleague, Deputy Rondel, made a truly excellent maiden speech and he did not even have to be prodded too much by Deputy Higgins and myself from either side. But really what he said I think summed up the real key issues here. He certainly said just about everything that I think needed to be said, so I am not going to repeat that. What I would like to just touch on is something that Deputy Young also did mention briefly about this apparent problem about the 40 per cent who live outside the U.K., and I would just like to read briefly from a contact from a constituent on the issue. In expressing the lady's outrage she said: "40 per cent of the pensioners not on the Island are people who are not claiming income support or adding to health care and elderly care cost in Jersey but they still need to survive. A great many people who have lived in Jersey all their lives have had to leave because it is so expensive and they have taken their financial struggles elsewhere to where they can afford to either buy or rent a property, but they still have to heat it, buy food, and are unlikely to be helped by the country to which they have moved. They may have moved away with the intention of returning in the long term but while they are away they cost Jersey nothing other than their pension.

[15:00]

They need their pension just as much as the people living on the Island and, especially if they have worked in Jersey for many years, they deserve it. They have contributed to Social Security just the same, have they not? How dare Ministers say that pension should not increase fairly because 40 per cent of pensioners are not on Jersey? What a pathetic excuse and what a further insult to the people who are so disillusioned that they have had to leave their home. Ask the removal firms who are leaving and have left and why; does anyone not question why 40 per cent of Jersey parishioners are not on the Island? Possibly they are happy in their choice, but so many may not have been able to choose where they wish to live and had no choice. They bravely do the best they can." I could read more of that but I think that really sums it up. I think if we follow the Minister's thinking and allow that argument to colour the way we are going to vote I think it would be a big mistake. As I say, pensions are about the summation of a lifetime's commitment to the Island, and the elderly are not given the respect they deserve and, whatever my reservations (and I do understand Deputy Martin's concerns) I think I have to support Senator Breckon out of my conviction that everyone is entitled to dignity in this Island, especially when they have paid their way all their lives, so I will be supporting it.

6.12 Deputy A.K.F. Green:

I know most people that have spoken have probably covered most of the points that I want to cover but I would just like to pick up a couple of things. As Senator Breckon said that when he lodged

this we were at the start of the election process and I can particularly remember at the hustings being asked whether we would support Senator Breckon's proposal and my response to that was very clearly: if it is affordable then I will consider it. I think the Minister for Social Security has shown us that it is not affordable. The Minister for Social Security is one of the most caring people that I know and I know that if he could find a way of making it affordable he would. It is not affordable, we need to ensure the long term security of this fund for the long term benefit of the majority of Islanders and find other ways of supporting people, pensioners that are struggling. For that reason, and many reasons, like Deputy Martin explained, I will not be able to support it.

6.13 Senator P.F. Routier:

Just following on from the previous speaker about the long term stability of the Social Security system, we have benefitted from some very good decisions. I was a Minister for Social Security myself and President as well but, prior to that, the previous President to myself put in place some very sound decisions with regard to the stability of the Social Security system. When deciding to increase the Social Security contributions, it was done over a long period of time and that was after considerable consultation with the community and that took a couple of years to decide to make that decision to increase contributions by half a per cent a year. I believe that the Social Security system is a partnership with our community, it is something which is valued highly by the community, and making what some people have described as a knee-jerk reaction to what is happening at the present time with our economy, is not the way to use our Social Security system because it belongs to the people: it is a system in which we all should share in the decision making. If a proposition like this was to come forward I would have hoped that it would have been consulted upon with the community. I think a few speakers have been quite honest that this is going to cost more money, and people who have spoken in favour of doing this and people who have spoken against it have recognised that this is going to cost more money. The Minister in his comments after the proposer highlighted that if this proposition is successful today, he will come back with increasing the contributions; he will have to consider coming back to increasing the contributions. The proposition itself, I was quite amazed and disappointed to a certain extent that when it talks about the financial and manpower implications, it is that the cost of any increases in pensions is drawn from the Social Security Fund. There are no manpower implications, save for officer time. So it does not make any realistic comment about what the cost is in this proposition. It was left to the Minister for Social Security in his comments to highlight what exactly the costs are likely to be. Some Member has tried to play the line (in fact it was Deputy Pitman) of brushing-off the comments with regard to the funds that would go out of the Island as something we should not take consideration of, because people who have contributed are entitled to their money. That is right. People who have been to the Island and have spent some time here and have worked and contributed, do have a right to expect their increases to go up the same as they would in Jersey. But I think we need to accept that they have moved from the Island; they have moved to a different jurisdiction where their costs are different. We would be passing on money outside the Island; they would be benefitting from an increase which is a reaction to what is happening in our Island. That is the reaction here. We should not forget that our own pension rate is, I think, £184 currently. The U.K. has introduced a triple-lock system because of the failings of not keeping up with their pensions over the years. Theirs is £102 and they are just trying to play catch-up. They really have let down their pensioners and the point I would make with that is really they are just trying to catch up with the failings of their system. I have little more to add, because I think we should all think when we are voting on this, that this is a partnership with the community. If we are going to make a decision like this we should have consulted with them. I hope that Members will recognise that the Minister has said that if this is successful today we will be going back to ask workers of today to be paying more contributions. We know that in the community generally workers are also

struggling. So I hope Members will keep that in mind. I will not be supporting the proposition, as much as I want to ensure that pensioners are protected.

6.14 Deputy G.P. Southern:

What a joy it is to stand and give a speech after Senator Routier who singly, when he talked about targeting benefits, is the person who gave us universal free prescriptions on a Ministerial whim without coming to this House in his own time there, and yet he talks about: "We have got to consult on this and we have got to involve everybody in this decision." He took a Ministerial decision; never even brought it to the States. That is what can only be seen as hypocrisy. He points out that the current level of pension in Jersey is £184 compared to the U.K. Again he uses this tired old argument. The benefit system in the U.K. is completely different to ours and that £184 contains that totality for many people of their income; they do not have other benefits that add on to that, bolt on to that, for most of them. We have had this myth. These arguments come forward; page 4, with projecting to 2060 and so the estimate of the doubling of the number of over-65s, and so we cannot do anything about anything because it is frightening numbers. It is very easy to frighten people with numbers. Turn to page 9 and you see that this means workers will pay more. Well, let us get real. The fact is for the past 50 years we have been living in nirvana in terms of our taxation, our revenues and what we can spend and we cannot spend on the back of the finance set. That is over. We are all going to have to pay more for the benefits that we need in order to survive. That is the reality. There will be a cost. We need to look at that cost full in the face and say: "And we as a society are prepared to meet that cost" because the sign of a good society is how well it looks after the vulnerable; and one of those vulnerable groups is the pensioners. We are told that many pensioners do not even live here so we should not be doing anything for them. That was dealt with admirably by Deputy Pitman in his speech. Even worse, the hint is that many of our pensioners are quite wealthy. What a load of nonsense. They are not. If you look at income distribution you will see that something like 70 per cent of our pensioners are below the average wage, in the bottom 2 quintiles and into the third. The vast majority of pensioners are relatively badly off. We have a statement on page 9: the mean average full-time wage in June 2011 was £650 per week. Oh what joy many pensioners would have if they got anywhere near that amount of money as their income. Below the average wage. The targeting argument is already there. The majority of pensioners are relatively poor. It is already targeted. But let us talk about the real politic. Why the triple-lock? Where have we got this idea from? We have got it from the U.K. We have got it from a Conservative Government in the U.K.; a Conservative-committed Government, committed to cutting everything and privatising the rest. It appears to be a model for the current Council of Ministers, but they deal with real politic. They are attacking welfare benefits; they are reducing benefits for the disabled. We have not done that yet. But they are holding fast to their triple-lock. They made the commitment and said: "We will do something for our elderly." That is what they said. They did not do it out of the goodness of their heart; it is hard practical politics, because that is who votes. The Conservative government with all its enthusiasm for cutting is definitely not cutting here. It has made a commitment and it is sticking to that commitment. I believe we also should make that commitment. It matters not whether its average earnings as in the past, imagine... no, think back. When you were on doorsteps, when you were on the hustings, especially those new Members, what were you saying about looking after our elderly, looking after our pensioners? What did you say? Did you say that you would look after the pensioner? Look after the vulnerable? I imagine you did. You made a bargain on people's doorsteps at the hustings that you stick by your word. You would look after the elderly in our society. That is the reality. Today you have the chance to do exactly that. Imagine if this Council of Ministers is successful in forcing through its policy of a wage freeze in the public sector which will be joined by private sector employers as well, and we end up with the average earnings index being very small indeed. Not just this year and next year, but also the next year, with the possibility of 2.5 per cent after 3 years

as a negotiating starting point. Imagine that goes through. In those 3 years you will have seen a very small rise in the average earnings index which we are committed to passing on on to pensioners.

[15:15]

Imagine the next time you are on those doorsteps looking at that vote and saying: “What did you do for me?” to those pensioners and those elderly on their doorsteps. The answer will have been: “Absolutely nothing. We let this opportunity go past.” No. Let us not do that. Next time you are on the doorsteps, Members should be able to look them fully square in the eyes and say: “I have done my bit.” That opportunity happens today in this building.

6.15 Senator I.J. Gorst:

A number of speakers have suggested that this debate today is one where Members will have to decide between using their heads and voting with their hearts. I do not agree with that. I do not believe that that is a fair differential. I think that the best decisions are arrived at when we as Members engage our heads but at the same time vote with our hearts. I believe that that is what the Minister for Social Security is asking us to do today. So while there is not much to add, it is only right that I do say a few words, because I think it is probably me that the mover of this proposition kindly refers to as the “dithering Minister.” That was previously, you understand. That mantle of dithering - or I prefer to see it as a mantle of responsibility - I have of course now passed to Senator Le Gresley. Why do I raise that particular issue of responsibility? Because the Minister for Social Security, rightly elected by this Assembly, has a special responsibility among Ministers, and that is to safeguard the Social Security Fund of this community and thereby safeguard the Social Security pension. That Minister has a responsibility to immerse his or herself, a responsibility I took seriously... and I must confess to you enjoying in pensions in all their forms and understanding how they work, how they operate and all the implications thereof. Not wishing to rise to the pleasure of boring Members (I note that Senator Le Gresley did not indulge in that pleasure) pensions are by their very nature long-term instruments and the Minister for Social Security has a responsibility to consider them in that light. That Minister happens to be in this instance a he; he must consider his decisions in the light of 20, 30 and 40 years out and weigh that importance. It is important because they are generational decisions and must be considered in that light, because benefits are directly linked to contributions. If we want to take more out of the Social Security pension, quite simply we must put more in. That is how pensions work. Yes, there is some smoothing out over the years; yes, there is investment returns; but there are also liabilities. If we want more out, we must put more in. Some speakers who supported Senator Breckon this afternoon have quite clearly and honestly and openly made that link and they have said yes, they are prepared to support this proposition. At the same time they are prepared to support increased contributions which would mean every Member of this Assembly increasing their contribution in due course. On top of that, the Minister has to be aware of the fact that we have an ageing demographic. I am always conscious that when we talk about the ageing demographic those who are perhaps a little older and over 65 think we are talking about those. We are not. I am part of the ageing demographic issue. Those of my age, those younger than me as well, we are the ones who are going to swell the ranks in due course of the over 65s and the decisions that we make today will be passing on the liability for our existence and our benefits in due course. I am also conscious that when I was Minister for Social Security I asked this Assembly to agree in principle to increase the pensionable age and we had a heated but very good debate that day, you might recall, Sir. I cannot remember if you were in the chair, but it took the best part of a day. I was absolutely committed to that and I remain so, because I believed and believe still that it helps to safeguard future pension benefits for all members of our community. We have heard a lot today about pensioners and their difficulties, and I do not want in any way, shape or form to underestimate those difficulties because

we are all aware, and I know the Council of Ministers are very aware, of the difficulties that a large number of our community are facing during these difficult financial times. Therefore it is only right that we acknowledge that. However I want to pick up on a theme that Deputy Martin so eloquently spoke about. It is a theme that I encounter quite often, and I certainly encountered it during the election time. That was a belief among young members of our community, under my age, a belief that once they got to retirement age there would be no pension. We would have made decisions which meant that their futures were not secure. I argued and I will continue to argue very strongly against that. While I am an elected Member of this Assembly I will endeavour and have endeavoured to commit myself to ensure that that never happens; that we do not make decisions that put our children's futures at risk. Why do I say that? I say that because I come back to the point I made some moments ago about pensions being generational. So this is a difficult decision. It is right that we have this debate. I will be supporting the Minister for Social Security. I believe he has made a very strong and careful case, however difficult that might have been. However I recognise also that some Members will wish today to support Senator Breckon and I am grateful for those Members who have been honest about the fact that with their support comes also a support for increased contributions that the Minister will no doubt have to bring forward in due course. I would say one other thing about increased contributions as well, albeit it is slightly a technical point: if this proposition is successful it will therefore bring forward a triple-lock mechanism, which will mean that thresholds will have to rise for payments in line with the same indices. So we would be creating the position where workers and contributors (let us call them contributors) were receiving growth in earnings at one level and yet throughout the year, year on year, potentially they would be having not only the increased contributions in a percentage way, but they would be increasing the amount of their earnings upon which they were having to make those contributions as well. I hope in my few short comments I have tried to illustrate the complexity of these issues and the way that we must consider the inter-generational fairness of the decisions that we make in this Assembly and that we do not want to make decisions which in effect are going to mortgage our children's futures. That would be absolutely wrong. If we do feel strongly, and I have a sense of a strong feeling of support for the difficulties that pensioners are experiencing in our community at this time, I have no doubt whatsoever that the Minister for Social Security will consider those expressions today and look at ways in which he can perhaps get and provide further support for pensioners using the very appropriate other mechanisms that we already have at our disposal, and he has at his disposal. They were decisions that I made during my term at Social Security by increasing the pension, disregarding increasing the amount of savings that a pensioner could have away and above the percentages that I increased any other components with Income Support. There were other methodologies as well which could be used. Therefore I ask Members to consider very carefully before they make their decision today.

6.16 Connétable J.L.S. Gallichan of Trinity:

I am not going to say how old I am, but when I left school and started work Social Security had been set up for a number of years and it may surprise people I paid 8 shillings; 8 shillings for those who do not know what 8 shillings are, that is 40 pence a week; that is what the stamp was in those days. You had a card like a Co-op card and you stuck an 8 shilling stamp on your card. I look back and my father was obviously older than myself, and he did contribute; some people opted out in those days from contributing. Did they regret it? Because for those 8 shillings, if you compared now what pension I am receiving and my wife obviously, I think it has been a wonderful system we have had. If you were going out for a consultation, if you had gone in the Royal Square in those days, there was a real backlash. Social Security was the end of the world. Well, it is not the end of the world. The way I look at this pension, there are people who are suffering, but for what they put in they have had a fantastic return for their money. I was delighted to hear Deputy Martin: everything comes at a cost. I think it is far better to get our young people back at work and pay a

Social Security stamp. When we get all these youngsters back to work, then we relook at this and make sure we have the income to make sure that we can pay the pensions, not put a liability on young children who may not even be working, because someone has to pay. It does not matter how you look at it, with the ageing demographics coming there will be far more people picking up a pension than those going to work to pay for it, and we cannot overburden the cost of employing people. We have to be sensible. I think it is unfortunate we have come through a couple of rough years now; we may have a few more rough years to come. But the long term is we have to get people in employment so that we can help our older generation with a good standard of living. Let us be fair, if ever there was a Minister for Social Security who does care about the elderly, we have one now; and I am sure if there are problems he will do his utmost to try and target those people who are in need, which we have done over the last few years in this House. Okay; we all have different views; we all have different ideas on the way we should help people. But in general we are a caring society and we must continue to be a caring society. But we must not just go out because for a couple of years it has not gone to a certain degree. We have to take a long term view to make sure this is affordable for all the future generations. I will not be supporting Senator Breckon.

6.17 Deputy P.J.D. Ryan of St. John:

This is not going to be very long. There have been lots of emotive speeches and that is not surprising because, after all, this is a very emotive subject.

[15:30]

So I am going to leave it to others who have already given their emotive arguments. However, Deputy Rondel mentioned one extremely emotive subject that I think most of us could get quite excited about, and that was the income-supported family arriving home with a flat screen television, even though in fact probably with the movement of technology nowadays you would probably have trouble finding anything other than a flat screen television, to be honest. But I know that Senator Le Gresley shares my concerns about Income Support abuse, and I also know that he is already doing various things and I believe, having discussed it with him, that he is determined to continue to do more things on Income Support abuse to bring increasing pressure to bear in the future to get the best out of the scheme with the balance that I know he is capable of providing. Indeed, this is the important fact, though. Dissatisfaction over the inequities of Income Support, whether you agree it exists or not, is not limited to old age pensioners. In fact it could be said that those more on the right-hand side of politics are more likely to be vocal than those on the left in this regard. So I simply make the point that Income Support abuse or misdirection or its efficiency of delivery by the Social Security Department rather than through the Parishes, that is one thing; but it is not directly connected to the States of Jersey pension. I do not believe that it is very intelligent to make a long-term decision over pensions linked to one's perception over Income Support abuse. I will leave it there.

6.18 Deputy S. Power:

Briefly, because most of everything that needed to be said has been said. I want to comment on 2 things that the Chief Minister said. That was that he is correct in saying that if we have a reservoir of funds such as the Social Security Fund, what we take out must be replaced by what we put in. It is clear to me from Senator Breckon's explanation, which is a one-liner at the end of financial and manpower implications, that we were to just dip into Social Security Funds *per se* and help ourselves to allow this triple-lock mechanism to work. Knowing the older members of the community that I know, they have years of living with balancing budgets and sometimes not borrowing at all but living off what they have in the bank; I do not think they would be happy to endorse that type of philosophy. I think Senator Le Gresley has made the case that this does alter

significantly what he has to manage, and adversely so. I tended from the outset not to be too keen on Senator Breckon's proposal, but I do take my view on those older citizens in our community today that they would not wish us to breach, broach or destabilise a Social Security Fund if we cannot regenerate and put money back into it that we take out because of this proposal. Above all else, the older members of our community are pragmatic and practical and I think they realise that we have to be realistic and we are for ever being criticised for spending money we do not have. So I just wanted to say that I will be supporting Senator Le Gresley and opposing this proposition.

6.19 The Connétable of Grouville

I find myself in a quandary in this. As I mentioned earlier on in the meeting, every one of us to some extent is compromised. I am a pensioner and if I vote in favour of Senator Breckon's proposition then I would probably feel guilty, because I would be voting myself a rise, and I do not think that is quite right. I think that is absolutely wrong. At the same time I do realise that our pension fund is not infinitesimal and that we must indeed keep an eye on it. At the same time I do see, even in the country Parishes, pensioners who are suffering very, very badly indeed and I am absolutely torn. My other guilt trip would be of course, to leave the pensioners and not to vote them an increase. Having said that I find myself stuck in the middle, and I think I am going to abstain on this because I cannot really convince myself to vote either way.

The Deputy Bailiff:

Can I say to Members that when I made the ruling earlier on that Members have no significant financial interest, because the financial interest was one that applied to a wide class of people, it appears to me to be plain that every single Member of this Assembly has got that same financial interest, and therefore it would not be appropriate for Members to abstain from voting solely because of a perceived financial interest. They may abstain for any other reason, but a perceived financial interest applies to every single Member of this Assembly.

6.20 Senator B.I. Le Marquand:

I offer some statistics to the Members. I have been working during the debate looking at those different figures and doing various different calculations. I can see that the concern being expressed by a number of Members in relation to the difficulties currently faced by pensioners arise from the fact that in fact in the period 2008 to 2011 the results of the current system have been to produce a reduction of 1.6 per cent in terms of what people are getting below the cost of living figure; that is over the 4 years. But in fact for every previous 4-year period the reverse was the effect. Indeed, and this backs-up really the comments of the Connétable of Trinity, for the period from 1991 to 2007 the overall figure, applying the average wages, gives a 17 per cent figure of increase over that period. That was offset then by the 1.6 which follows. I have also done some figures based upon the differential between the cost of living figure and the figure for the average earnings if we had applied the higher of the 2. An effect of that would have been, in fact, and this demonstrates that there is a real cost to this, over the 21-year period 1991 to 2011 it would have produced a 7.9 per cent increase. So I offer those statistics. The third statistics which I offer are the conclusions of the Auditor who specialises in calculations on the pension fund, because many of us went to the presentation on this, and I have to say the figures that were presented to us were very gloomy indeed. It was quite apparent from this, because I asked a telling question in fact he was unable to answer, which was this: what is the current cost of a pension in the future of a person who is now entering the scheme? What should they be paying in terms of percentage? He did not have that figure; he said: "Next time that figure could be produced." But I could see from the figures that it was a great deal higher than what was already being paid. So the bad news that I bring to this Assembly is that irrespective of the vote today, irrespective of the fact the Senator Le Gresley mentioned I think if the vote goes against him today, it would be necessary to raise

contributions. I bring to this Assembly based upon the experts' calculations and my own calculations of those calculations, that we are going to have to have a substantial increase anyway. We are facing a substantial increase in the needs for the amounts to be paid in. The Chief Minister mentioned a generational effect, and that is something that influences me also. If I may talk personally for a moment, in 4½ years' time if I am still alive, I will be of pensionable age for an Old Age Pension, which gives away my age, of course. I am blown if I can see why I should be getting higher sums, because I do not financially need them, and I would be like many other people in precisely the same position. Now, you may say my views should not be affected by the fact that I do not think I need the increased amount when others may do. But that is the reality of an untargeted scheme which goes to everybody. I am also aware that what will be the effect of this proposition (indeed, it is already the effect that we have and will get more so in the future) is that we effectively have a system where existing workers are paying for, and will be paying for, increased pensions of those who are not working. Now, these are not easy times for existing workers because the same pressures which have produced the minus 1.6 figure over the last 4 years have produced that also for employees. So I am very conscious of the fact that in trying to be fair to old age pensioners in trying to achieve a good result for them, we are going to be in danger of doing that (and this was exactly Deputy Martin's problem) at the expense of existing workers. For those reasons, which I have not expressed very eloquently, I am unable to support the proposition.

The Deputy Bailiff:

Does any other Member wish to speak? Then I call on Senator Breckon to reply.

6.21 Senator A. Breckon:

I would like to start by thanking Members; there have been some excellent contributions, regardless of whether they have been supportive or not. I mean, I think it has been a good and healthy debate and perhaps one that we needed to have. I am not going to summarise on the comments of all Members; I would just like to touch on a few and then hopefully I could summarise the rest in general terms. I come to the Minister for Treasury and Resources first. I think some of it was a bit long as he talked about parliaments around the world. We are not trying to have something here that is going to cure the Greek economy or the promises they have made to their people about retirement ages and pensions in other parts of the world. We are not anywhere near that at all, so I think that was a bit alarmist. The other thing he never mentioned was inflation, because inflation is the other side. If we have zero inflation and things have not gone up, then we do not need to give people any more money in wages or pensions or anything else. That is not the case. In the comments of the Social Security when they are quoting back from 1995 to: "Beneficiaries in Jersey would share in the Island's success as reflected by increases in earnings in excess of inflation," that has not happened. It is a different economy where we are now. Deputy Martin mentioned the pension fund. This is not the States pension fund; it is a Social Security pension fund that is ring-fenced. It does not affect Income Support or anything else; it stands alone. So it is not something, if you like, that is our money and that is something I hope Members will remember. It is a fund that is there at the moment that is collecting more in than it is paying out. But then there is an equilibrium to that somewhere along the line. Interesting; I will give you the comments of Senator Routier because he talked about we must consult everybody and their cat if we are going to change something. Can I ask who consulted about taking up £6.1 million in each of 2 years out of the health part of the fund to give to the Health Department? The answer is nobody did, and nobody consulted about prescriptions. So the selective consultations. Yes, we should take some money out. Yes, it is going suffer. Yes, this is going to happen. But we are going to decide to do this because we are the government; we are the Ministers as it were, or whatever it was at the time. I have come back to Senator Le Gresley. One of the things he said there was, and I wrote it down: "We cannot afford this" and I felt that could be pensioners talking when it is talking about filling up

their oil tank. "We cannot afford this." Or when it is their gas bill or when they go to the supermarket they are putting stuff back. "We cannot afford this." So I think there is an excellent quote. He made 3 points but I could only give him one cheer for the 3 points. I did not give him 3 cheers; it was only one, in parts, and made a case. But if we come back as Members and remember the proposition, and other Members have touched on this and that is why I think we will sum most of it up, to come back to the proposition when it talks about ask the House: "To agree the future annual increases in the old age pension should no longer be linked automatically to the Average Earnings Index."

[15:45]

Then, in the comments of the Social Security on page 3 it says this: "Historically, the long-term growth in earnings in Jersey has been greater than that of prices. Since 1990, the Jersey Retail Price Index has increased by 128 per cent (that is, prices have more than doubled), while earnings have increased by 167 per cent" and it says: "Prices have increased in Jersey at a faster rate than earnings for only 6 out of the last 20 years." The reason I say that is I am saying that one of the things that should be used is the Average Earnings Index. In fact, that has happened for 14 out of the last 20 years. So for 6 years this proposition would not have been relevant at all, because it would have been done. We used to use a dynamiser for 10 years before that, which was something between the 2. But since we moved to that, this would not have been an issue. So it is there. Also I have mentioned the 2.5 per cent; this was something that was picked up by Deputy Young. But the figures in my report on page 4 show that 2.5 per cent would hardly ever have been touched anyway; and all it is, it is the floor, if you like, should the inflation factor not be there or it be high on the pensioner thing. The other factor I am asking in my proposition is about the Retail Price Index for pensioners, which is relatively young for a pensioner. In fact, it is only 4 or 5 years old, so there is no archive. But in general terms it is round about the Retail Price Index but the biggest difference is it does not include mortgage payment because it is assumed that pensioners will not have mortgages. It is interesting when we are talking, you cannot have 2.5 per cent; that is a silly fact of the build-in; it is inflationary. Not very long ago we approved 25-year deals with housing trusts and we built-in and agreed giving them 3.5 per cent rent increases every year. We did that and now we are balking at this when in fact it is a floor, if you like, when all else fails. The other thing that has been talked about is benefits outside the Island. I know somebody that lives in the U.K. but worked in Jersey for a number of years and they get £60 a month pension. They do that because they did not work here many years. So we are not talking about paying; there might be a percentage of pensioners, but I did not see the figures for the money, but perhaps that is slightly different again. Again, you see, contributions, whatever, and something that Senator Le Marquand has just touched on is the figures. At some time in the not-too-distant future Social Security contributions will have to increase. That is as sure as night follows day. I think it was Senator Routier mentioned "*Continuity and Change*" and the things that were done then. It was done over 5 years, half a per cent a year split between employer and employee, 0.3 per cent, 0.2 per cent and the other way, and that was done, and people accepted it. The other thing I would ask Members to remember is the Social Security contributions in Jersey are significantly less than the United Kingdom, Guernsey and the Isle of Man, and again without much consultation quite recently a certain part of that, the ceiling was increased and the contribution was increased by 2 per cent. So again, these things can be done without a great deal of consultation, public involvement or whatever. My reason for doing this is, as I said at the outset, because some people are facing some difficulty. They are not going to be queuing up in La Motte Street or whatever is on the go; that will not happen. Targeted benefits will be difficult because some people will not appear to do them, and it is a way of regressing what has happened in the last 2 years in that in monetary terms last year pensioners received just under £4.50 and the year before it was about £1.90, so that is fact. People are struggling because of that and it is about re-balancing some of that but it is not being

heavy-handed. The other reason why I have done this is because I do not see the growth in earnings. We talk about linking it to average earnings; where is that growth going to come from? We have heard, and Deputy Southern mentioned it, about the public sector pay policy; that is a matter for negotiation, it is not a matter for this House. We have got a States Employment Board that will do that but if 6,500 workers or around that do not get an increase this year and next, then that will significantly affect the average earnings index. Now, if the Minister for Economic Development or the Minister for Treasury and Resources got up and said: “Well, we think we are going to have 2 per cent inflation next year,” are we? I have not heard anybody say: “What has happened to the other side of the equation, the inflation strategy that is going to affect everything?” There have been some lower increases in, say, water and electricity but they are still round about 2 or 3 per cent, which is more than the increase in pension. These things affect people in different ways and we can use all sorts of statistics and arguments but Members of this House have met members of the community and they have talked about various circumstances. I feel sorry that some Members feel conflicted because I said at the start, which is nearly 6 months ago when I lodged this and I feel 6 months older now, so I am getting closer to the pension myself and I look forward to a long, healthy, happy (and hopefully prosperous) retirement. So that is my declaration of interest which is over 5 years away, all things being equal, but again that is not my reason for doing it or for getting involved or whatever; it is because I believe it is the right thing to do. It is something that we can do; we can show to the community people who have worked long and hard for a significant part of their life that we still recognise them, we still know they are there and we recognise their need without them having to come cap-in-hand. I maintain the proposition and I ask for the appel.

The Deputy Bailiff:

The appel is called for. I invite members to return to their seats. The vote is on whether to adopt the proposition P.64 of Senator Breckon. I will ask the Greffier to open the voting.

POUR: 17	CONTRE: 25	ABSTAIN: 2
Senator A. Breckon	Senator P.F. Routier	Connétable of Grouville
Connétable of St. Helier	Senator P.F.C. Ozouf	Deputy G.C.L. Baudains (C)
Connétable of St. Brelade	Senator S.C. Ferguson	
Connétable of St. Saviour	Senator A.J.H. Maclean	
Deputy R.G. Le Hérisssier (S)	Senator B.I. Le Marquand	
Deputy J.A. Martin (H)	Senator F. du H. Le Gresley	
Deputy G.P. Southern (H)	Senator I.J. Gorst	
Deputy of Grouville	Senator L.J. Farnham	
Deputy J.A. Hilton (H)	Connétable of Trinity	
Deputy M. Tadier (B)	Connétable of St. Peter	
Deputy T.M. Pitman (H)	Connétable of St. Mary	
Deputy T.A. Vallois (S)	Connétable of St. Ouen	
Deputy M.R. Higgins (H)	Connétable of St. Martin	
Deputy J.M. Maçon (S)	Deputy R.C. Duhamel (S)	
Deputy J.H. Young (B)	Deputy of St. Ouen	
Deputy of St. Peter	Deputy J.A.N. Le Fondré (L)	
Deputy R.J. Rondel (H)	Deputy S.S.P.A. Power (B)	
	Deputy E.J. Noel (L)	
	Deputy A.K.F. Green (H)	
	Deputy of St. John	
	Deputy J.P.G. Baker (H)	
	Deputy S.J. Pinel (C)	
	Deputy of St. Mary	
	Deputy of St. Martin	

7. Draft Civil Partnerships (Consequential Amendments) (Jersey) Regulations 201-, (P.2/2009)

The Deputy Bailiff:

Very well. We now come to P.12 - Draft Civil Partnerships (Consequential Amendments) (Jersey) Regulations 201-, lodged by the Chief Minister. I ask the Greffier to read the citation order.

The Greffier of the States:

Draft Civil Partnerships (Consequential Amendments) (Jersey) Regulations 201-; the States, in pursuance of Articles 71 and 72 of the Civil Partnership (Jersey) Law 2012, have made the following Regulations.

7.1 Senator I.J. Gorst (The Chief Minister):

I do not propose to say very much about this proposition. There are 52 amendments to consequential legislation arising from the previous States decision to approve civil partnerships last year and, with that, I maintain the Regulations.

The Greffier of the States (in the Chair):

Is the principle seconded? **[Seconded]** Does anyone wish to speak on the principles of the Regulations?

Deputy J.H. Young:

I just want to raise one matter from the list on the Regulations.

The Greffier of the States (in the Chair):

We should get to that when we get to the Regulations, Deputy, if it is a detail matter on the Regulations.

7.2 Deputy J.H. Young:

No, it is not. Perhaps I should just make it clear. I just wanted to raise the sheer number of pieces of legislation and the principle and surprise of how involved legislation is that it possibly should touch issues of whether one is a civil partner or a spouse, in so many pieces of legislation. I wondered if other Members shared that surprise and whether there are any lessons for us as an Assembly in dealing with this type of legislation?

7.3 Deputy J.M. Maçon:

Very briefly, as Members will be aware, the previous Education and Home Affairs Scrutiny Panel did look at this legislation and were well aware of the consequential amendments to different laws and legislation. What I would like to do is to thank particularly the law draftsmen, who did a tremendous amount of hard work bringing all this work through. I appreciate it was a huge work load and I am glad that they brought it through and I just wanted to put that on public record.

7.4 Deputy M. Tadier:

I just have a question for the Chief Minister. I seem to recall, although I may be wrong, that the Chief Minister was not in support of the Civil Partnerships Proposition as it was amended and, if I recall, he abstained from the proposition. Can the Chief Minister now confirm whether he is supportive of the Civil Partnership legislation or not and whether he considered having a rapporteur for this? If not, he may have changed his mind, but it would good for people to know that.

7.5 Deputy T.M. Pitman:

I would just like to seek a bit of clarity; I would like to know if fostering and adoption is hidden there somewhere, because I thought it was going to be but I cannot see it?

The Greffier of the States (in the Chair):

I call on the Chief Minister to reply.

7.6 Senator I.J. Gorst:

Perhaps I could start by echoing the words of Deputy Maçon; he is absolutely right, a lot of work has gone into producing these amended consequential requirements. I am surprised that it is a surprise to Deputy Young when we make these big decisions; it was known at the time that there were a large number of amendments required arising from that decision and it is absolutely right that we share out this change in law right across all these laws. It would be unfair if there was only a principal law and then people who wanted to avail themselves of a civil partnership felt that they were disadvantaged in consequential pieces of legislation. It is absolutely right and proper that these amendments are made. With regard to Deputy Tadier; perhaps he is slightly ahead of himself and might wish to ask that question when we come to the Appointed Day Act for the actual civil partnership legislation itself. Of course, I am absolutely supportive of these amendments as he would expect because I am proposing them today. Deputy Pitman asked about fostering and adoption; he probably will recall that those amendments were made as part of the initial changes and civil partnership legislation which we are going to go on and adopt shortly should we approve these consequential amendments. So they have already been dealt with and amended. In light of that, I will maintain the Regulations.

The Greffier of the States (in the Chair):

Very well, I put the principles. Would those Members in favour of adopting them kindly show? Is there anyone against? The principles are adopted. Senator Ferguson, this falls within the remit of your panel, if you wish to comment.

Senator S.C. Ferguson:

I think we have got enough work on at the moment.

The Greffier of the States (in the Chair):

Yes, very well. Thank you. Chief Minister, there are clearly a large number of unrelated amendments; how do you wish to propose them?

Senator I.J. Gorst:

I shall take them *en bloc*, if that is all right. Ministers have been alerted to the fact that Members might wish to delve into individual pieces of legislation but I hope that they will not, because they are straightforward changes to give effect to the civil partnership legislation that this Assembly desires.

The Deputy Bailiff:

Very well. So Regulations 1 to 53 and the 2 schedules are proposed. Are they seconded? **[Seconded]** Does anyone wish to speak?

7.7 Senator P.F.C. Ozouf:

I just want to re-state something which I said in the debate on tax 2 weeks ago, that following the helpful suggestions of Deputy Southern in relation to partner A and B, I will be looking at that for further changes in the budget to see whether there can be a self-election in terms of the partner who wishes to be partner A or B as opposed to dealing with the matter by the fact that it is the older

partner who will become the partner A in terms of the relationship. That is something which I do not think is a problem in relation to this; it is something that I am going to be considering in the budget. It is fit for purpose for the moment but if we can make a further step in terms of recognition without any problems arising then I am going to do so and I just wanted to remind the Assembly of that.

7.8 Deputy M. Tadier:

If I can just comment on that. I think it is unfortunate that the Minister for Treasury and Resources perhaps did not go down a different road with this, because the issue of partner A and partner B just makes a complete nonsense of this. The whole point of a civil partnership between same sex couples is that first of all there is no gender difference and there is no hierarchy. It is a nonsense to either suggest that we allocate a partner A and B or that they are allowed to choose which one is partner A and partner B. We did not necessarily have to have parallel legislation coming forward; we could have completely invented new and fit-for-purpose conditions for taxation for civil partners and then allowed married couple provisions to catch up. That is what I would have suggested would be the way forward. It is unfortunate that we have gone down this route but hopefully at some point there will be a level playing field for both where individuals, irrespective of whether they are married, in civil partnerships or unmarried can benefit from taxation on an individual basis.

[16:00]

7.9 Deputy G.P. Southern:

I think while I accept the spirit in which the Minister for Treasury and Resources has just made an offer, the reality behind that is that what we should be doing is investigating, and at full speed, the possibilities of individual taxation and developing schemes in order to do that. I would suggest a time limit for that should be 18 months.

7.10 Senator L.J. Farnham:

I understand fully what Deputy Tadier says but I believe there has to be a differential between a partner A and a B because of the dual assessment situation. Perhaps the Chief Minister could just confirm that?

7.11 The Connétable of St. John:

It is all well and good us putting all this legislation forward but I would have thought in 2012 we could have found some way of saving costs, because within the legislation we need something like a minimum of 12 registers at a cost of approximately £650 each, one for each Parish Registrar (in this day and age I would have thought books which are not going to be used very often) we could have had one register for the Island. I would have thought the Chief Minister, while he was pulling all this together, could have made sure that cost savings were put in place, because to me it is absolutely ludicrous (I say 12, it is possibly 13 because the Superintendent Registrar will need his own copy also, so that is 13) that all this runs into thousands of pounds. As I said, each book is approximately £650 each. You cannot just use one of the existing registers; it has to be a register specifically in the registry. I must say, I do not think sufficient thought has been given to the cost of bringing all this legislation forward when, in fact, they could have cut some corners (if that is the word I would like to use; I suppose it is probably the wrong word) and savings could have been made by just having one register for the Island because I do not believe it is going to be used, as if we are having births every day or deaths every day. To me this is ludicrous. That is all I will say.

7.12 Senator B.I. Le Marquand:

I rise in response to the comments of the Connétable of St John. Although I have nothing to do with whether there is one register or 13, I can say that I have recently made provision or agreed the principle that the registers that the individual Parishes will need to purchase will not need to be the super-deluxe ones which they have done customarily, so the cost of those should be reduced and I have made some steps to mitigate additional cost for the Parishes in that way.

The Greffier of the States (in the Chair):

If no other Member wishes to speak, I will call on the Chief Minister to reply.

7.13 Senator I.J. Gorst:

I thank the Minister for Home Affairs for his comments. He is right that provision has been made and I checked this morning that the Parishes will be able to avail themselves of a much slimmer, shall we say, register. I understand that, rather than the cost of between £600 to £750 that a register normally is, the cost of those registers will be £48; indeed £40 for them against £600 per Parish I think we will agree. I did make inquiries when this was brought to my attention and the Connétable makes a very good point about perhaps, in due course, one register for each Parish. I would go slightly further and talk about e-government right across Government. We should be making sure that we are paperless; things that we can do via I.C.T. (information and communication technology) are areas that we should be exploring, and I believe the Parish should be part of that exploration. Deputy Tadier raised a point with regard to the Income Tax Law and the amendments required there. The Treasury Department or Tax Department do require the election of one partner and that is why they have developed the approach that they have but, as the Minister for Treasury and Resources rightly said, that will be given further consideration and perhaps it is that a solution can be found along those suggested by Deputy Southern. We will have to wait and see. I maintain the Regulations.

Deputy M. Tadier:

Could I ask for Regulation 21 to be taken separately with an electronic vote? That is one of the ones which deals with A and B partners being designated for income tax purposes.

Deputy J.A. Martin:

I was going to ask for the appel for the whole. Although this is pulled out separately, I still want the appel for everything else.

Deputy J.H. Young:

Items 30 to 35 are about the public employees' pensions funds and, although it does not apply to me as receiving a pension from that scheme, I think I should at least make a declaration if we are required to take them *en bloc*.

The Greffier of the States (in the Chair):

Very well. As you say, there is no interest directly for you, I do not think, Deputy, but thank you for the declaration. Very well, are Members content, therefore, to take an initial electronic vote on Regulations 1 to 20? I am just checking the schedules which would include Schedule 1. Very well, the Members are in their seats; the vote is therefore on Regulations 1 to 20 and Schedule 1, and the Greffier will open the voting.

POUR: 43 Senator P.F. Routier Senator P.F.C. Ozouf Senator A. Breckon Senator S.C. Ferguson Senator A.J.H. Maclean	CONTRE: 1 Connétable of St. John	ABSTAIN: 0
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Senator B.I. Le Marquand
Senator F. du H. Le Gresley
Senator I.J. Gorst
Senator L.J. Farnham
Connétable of St. Helier
Connétable of Grouville
Connétable of St. Peter
Connétable of St. Mary
Connétable of St. Ouen
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy R.G. Le Hérisssier (S)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy J.A.N. Le Fondré (L)
Deputy S.S.P.A. Power (B)
Deputy K.C. Lewis (S)
Deputy M. Tadier (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)
Deputy G.C.L. Baudains (C)
Deputy of St. John
Deputy J.P.G. Baker (H)
Deputy J.H. Young (B)
Deputy S.J. Pinel (C)
Deputy of St. Mary
Deputy of St. Martin
Deputy R.G. Bryans (H)
Deputy of St. Peter
Deputy R.J. Rondel (H)

The Deputy Greffier of the States:

Very well. Now, Deputy Tadier, as he is entitled under standing orders, has asked for Regulation 21 to be taken separately. The system has been reset. The Greffier will open the voting on Regulation 21.

POUR: 40		CONTRE: 4		ABSTAIN: 0
Senator P.F. Routier		Connétable of St. John		
Senator P.F.C. Ozouf		Deputy G.P. Southern (H)		
Senator A. Breckon		Deputy of Grouville		
Senator S.C. Ferguson		Deputy M. Tadier (B)		
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Senator I.J. Gorst				

Senator L.J. Farnham				
Connétable of St. Helier				
Connétable of Grouville				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy R.G. Le Hérisseier (S)				
Deputy J.A. Martin (H)				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
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)				
Deputy G.C.L. Baudains (C)				
Deputy of St. John				
Deputy J.P.G. Baker (H)				
Deputy J.H. Young (B)				
Deputy S.J. Pinel (C)				
Deputy of St. Mary				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				

The Deputy Bailiff:

I will ask the Greffier to reset the system. Are Members therefore content to vote on Regulations 22 to 53 and Schedule 2 together? Very well, the final vote, therefore, is on Regulations 22 to 53 and Schedule 2. The Greffier will open the voting.

POUR: 44		CONTRE: 0		ABSTAIN: 0
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Senator I.J. Gorst				
Senator L.J. Farnham				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Peter				

Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy R.G. Le Hérisssier (S)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (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)				
Deputy G.C.L. Baudains (C)				
Deputy of St. John				
Deputy J.P.G. Baker (H)				
Deputy J.H. Young (B)				
Deputy S.J. Pinel (C)				
Deputy of St. Mary				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				

The Deputy Bailiff:

The Regulations are adopted in the Second Reading. Do you propose them in Third Reading, Chief Minister?

Senator I.J. Gorst:

Yes, please. Thank you.

The Deputy Bailiff:

It that seconded? [**Seconded**] Does any Member wish to speak in the Third Reading? I put the Regulations in Third Reading. Will those Members in favour of adopting them kindly show? Are there any votes against? They are adopted in Third Reading.

8. The Draft Civil Partnership (Jersey) Law 2012 (Appointed Day) Act 201- (P.18/2012)

The Greffier of the States (in the Chair):

We come now to the associated Civil Partnership (Appointed Day) Act and I will ask the Greffier to read the citation.

The Deputy Greffier of the States:

The States, in pursuance of Article 73 of the Civil Partnership (Jersey) Law 2012, have made the following Act.

8.1 Senator I.J. Gorst (The Chief Minister):

As I said in my preamble to the Consequential Amendments, this is the Appointed Day Act which will bring into force the Civil Partnership (Jersey) Law 2012 on 2nd April this year. The Consequential Amendments will also come into force on that same day, therefore, I maintain the Act.

The Deputy Bailiff:

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

8.2 Senator P.F.C. Ozouf:

This is an enormously important day for equality, for recognition and tolerance and to showing that we are a tolerant Island of same-sex couples. It has taken a long time to get here and an enormous amount of work has been achieved and put in place to do it. It is a further step on the road, for many people, for equality. So I hope you will not object that while I am not the most likely individual to be one of the first people to use a civil partnership, I am - as far as I am aware- I think the only person in this Assembly who might use the Civil Partnerships Bill after it comes into force on 2nd April. Life over the centuries has been very difficult on issues of sexual orientation discrimination. Views of homosexuality have fortunately moved on. Attitudes have moved on and while prejudice still exists (I still get prejudice from time to time), the recognition of gay people is more understanding than it was 10 or 20 years ago. Opinion polls suggest that attitudes in public life, and particularly throughout the British Isles, are changing. Young people are more liberal. Britons are showing themselves to be accepting of same-sex couples. Old attitudes are moving on. The U.K. is now consulting of course on full same sex marriage and I would say to the Constable of St. John, respectfully one way of dealing with the issue of having 2 registers is to accept eventually same-sex marriages where same-sex couples can register their relationship in the identical terms as heterosexual couples. I hope that we will, in time, move to consulting on full same-sex marriage. There is no doubt that individuals live happier, more fulfilled and more stable lives in relationships and in loving relationships. Now, as a result of this legislation, after 2nd April, same-sex couples will be afforded the same rights as heterosexual people in the eyes of the law. We send out a strong message of support, of recognition, and of acceptance of same-sex couples and their place in our community. This is an important day for me and it is important for many people who I know and I urge Members to enthusiastically join with me in sending out that message of tolerance and equality and hope for the future. [**Approbation**]

The Deputy Bailiff:

Does any other Member wish to speak on the Act?

8.3 Deputy T.M. Pitman:

I just want to say I am really right behind the Minister on that one. I totally support his sentiments. It is interesting as someone who worked as a professional with young people before that there were 3 real taboos when I started work: one was drugs (we seem to have got over that, we can talk about it and work with young people) the other was sexuality, being gay or lesbian (we seem to have managed to overcome that) the other one we have not managed yet is about engaging people politically, so hopefully we will get there eventually. No, we have not got there; I have seen people mutter but they are completely out of touch. I totally applaud this and I will leave it there, I think.

8.4 Deputy M. Tadier:

I was fortunate enough to be on the scrutiny panel which was reviewing the implementation of this legislation for civil partnership, and we had quite a lot of fun on that panel. I remember we had the Minister for Treasury and Resources in because he was the rapporteur for that particular proposition and we had some very interesting debates. I am slightly disappointed because I think jokingly (or maybe not jokingly) the Minister said that he was going to make a radical speech today calling for full marriage. Those are private comments anyway but I think he is not that far off the mark. We do have to take stock of where we have come in Jersey. I remember growing up listening to the radio to States debates in Jersey. We did not have a lot of money and many friends obviously when I was younger so I had to pass my time somehow and listening to the A.M. (amplitude modulation) frequency of States debates when I think some of the Members have come back in here, some of them are no longer here. We have had some quite colourful and interesting, but certainly not politically correct, things to say when it came to the issue of sexual orientation and the liberty of those individuals who wished to practice as they saw fit.

[16:15]

I think things have moved on, as Senator Ozouf has said, and that is surely a good thing. It is difficult to know sometimes whether governments are ahead of society in reflecting the views; whether they lead from the front or whether they are sometimes slow, and that it is society which moves ahead faster and then governments catch up. It is probably the latter but sometimes it is an element of both. We have done the correct thing here today but I do not think we are quite there yet. We have to remember the civil partnership legislation as it stands still discriminates against religious organisations; it stops them from being able to choose whether or not they want to perform civil partnerships in their churches. Of course, it does not say that anyone has to perform a civil partnership but it does not allow religious organisations such as the Quakers, for example, who would like to carry out civil partnerships on their premises, to do that. I think that was the wrong decision that the States made. As a scrutiny panel we took a practical way forward and decided that in the future if attitudes have caught up in the States then we should be allowing those religious organisations to make those kinds of decisions. But I think that certainly we have made some progress. I will leave it at that. I would like to thank all those who have been involved in that. I have been one of those campaigning and I know those who have spoken already have also been doing some campaigning in the background. I think the Jersey Community Relations Trust which Deputy Power has been involved on and Dr. Elena Moran has been involved on have certainly been campaigning on these issues, which are also of interest to the Jersey Human Rights Group. I commend the legislation and hope that it will be making a tangible difference; I know that to many couples in Jersey who have possibly been afforded rights with partners from overseas, they can now get their civil partnerships endorsed and recognised in Jersey.

The Deputy Bailiff:

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

8.5 Senator I.J. Gorst:

Yes, I thank those Members who have spoken. Perhaps I can thank the Minister for Treasury and Resources. This is an overdue piece of legislation and it is absolutely right and proper that the fairness that is delivered by this legislation under the law has been brought into place and therefore I ask that perhaps I could ask for the appel to show Members' support for this Appointed Day Act. Thank you.

The Deputy Bailiff:

The appel is called for on the proposition for an Appointed Day Act for the Draft Civil Partnerships (Jersey) Law 201-. I invite Members to return to their seats and ask the Greffier to open the voting.

POUR: 44		CONTRE: 0		ABSTAIN: 0
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Senator I.J. Gorst				
Senator L.J. Farnham				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy R.G. Le Hérisier (S)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (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)				
Deputy G.C.L. Baudains (C)				
Deputy of St. John				
Deputy J.P.G. Baker (H)				
Deputy J.H. Young (B)				
Deputy S.J. Pinel (C)				
Deputy of St. Mary				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				

[Approbation]

9. Planning Applications Panel: appointment of member (P.16/2012)

The Greffier of the States (in the Chair):

We now come to P.16 - Planning Applications Panel: appointment of Member - lodged by the Minister for Planning and Environment 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 to appoint, in accordance with Article 9A(2) of the Planning and Building (Jersey) Law 2002, Deputy Roderick Gordon Bryans of St. Helier as a Member of the Planning Applications Panel until 31 December 2014.

9.1 Deputy R.C. Duhamel (The Minister for Planning and Environment):

It is the usual practice, and certainly something to be desired, that there should be an odd number of Members on any committee rather than a number of odd Members, as some people might think. **[Laughter]** In this respect I am very pleased to be able to move the membership from 6 to 7 by suggesting that Deputy Roderick Gordon Bryans of St. Helier should be nominated to sit on the Planning Applications Panel. I hope the House will endorse his nomination and allow him to get on with the serious work.

The Deputy Bailiff:

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

9.2 Deputy M. Tadier:

It seems like I am doing a lot of talking today but I am taking advantage of the fact that we are probably not going to be here tomorrow to make up for it. First of all, this is not to do with the individual who is being appointed, but recent events in the application panels that I have been to, I simply do not have confidence in the Planning Applications Panel. We have seen some horrendous decisions in my opinion, and in the opinion, I think, of some of my colleagues at St. Brelade, although I cannot speak for them, where simply the Island Plan has not been adhered to. We have seen a complete disregard for the National Park Zone which has been only just put into action in the Island Plan. Immediately, as soon as that happens we have seen 2 buildings in my district which are in a very sensitive area in the National Park Zone being given permission to have their buildings ripped down, to have buildings put up there, which are a lot bigger than they should be. We have seen another building recently, again from the Planning Applications Panel with only a minimal membership, passed which does encroach into the Green Zone, again in a very sensitive area. So the reason I am opposing this is because I do not think the Planning Applications Panel is fit for purpose. One could argue of course that with the addition of, I am sure, a very capable St. Helier Deputy, that the Panel would be enhanced but I think it is beyond that point. That is not to take away individually the capabilities of those who serve on the panel; I know that they put their time forward, but I think we need to look at a new way forward. We should just rip up the Island Plan and just have arbitrary decisions, because it seems to me that the decisions are not being taken at the Planning Applications Panel; they are being taken somewhere else and all the objections which are based on research and hard work from constituents (some of whom are architects and lawyers themselves) simply cannot win. So I am going to vote against this. As I said, I hope that will not offend the Deputy, because it is not a personal matter.

9.3 Deputy S. Power:

Very briefly, the Planning Applications Panel is one of those committees of the States that, to a large extent, has to deal with a lot of decisions which are hugely unpopular in every district; you are damned if you do and you are damned if you do not, or you are damned if you do not, again and again. Deputy Tadier is and was free to allow his name to go forward for the Planning Applications Panel, something he did not do. **[Approbation]** You know, being a States Member involves us making unpopular decisions at times. I am not going to comment on anything specifically in St.

Brelade, because it is inappropriate and I am disqualified and conflicted in St. Brelade, but the 3 Members who made the decisions he referred to did it unanimously.

9.4 Deputy J.H. Young:

In view of the comments of my fellow Deputies, I think I have to say I am supporting the proposition because an additional member of the Planning Panel is definitely an improvement. Seven members is better than 6 and Members will know my concern on certain decisions, so I am not going to cover those now but I have asked the Minister for a meeting to discuss procedures because I think at the moment, certainly when I checked late last week, the procedures that he spoke about in this House for the panel have not yet been published. I think they need to be and I am hoping that we can work with the panel and try and arrive at a set of procedures which will make a difficult job (and as I agree very much with the Deputy) much more sustainable and build public confidence in it.

9.5 Deputy G.P. Southern:

I wish my colleague all the best with his decisions. It is likely that most of his decisions will be about St. Helier because that is where we are going to build, and I remind him of his commitments in his election to avoiding high-rise and high-density building in St. Helier in particular.

9.6 Senator I.J. Gorst:

I know my comments are slightly disconnected from the proposition so I ask that you grant me a small amount of leniency in light of the comments of other speakers.

The Deputy Bailiff:

Like all those that have come so far, yes.

Senator I.J. Gorst:

Yes, indeed. **[Laughter]** I did not want to put it quite so indelicately. If Members feel that it is inappropriate to have laymen on the Planning Panel, an elected layman, then that is an issue that they should bring, I suggest, first to the Minister to ask for his consideration but ultimately it is a debate that we should have in this Assembly. I think, albeit that as individuals we will not always like the decisions of the panel, it is right and proper that laymen sit and do have decision-making powers with regard to planning applications and that those laymen are elected representatives and are responsible to the community in which they are making decisions, but that really is a debate for another day.

9.7 The Connétable of St. Helier:

It has been suggested to me that the Vice-Chairman of Privileges and Procedures may have impugned the motives of Members of the States. I confess I was not listening when he was saying what he was saying, partly because, as he says, he has been speaking an awful lot today and I confess I had switched off. **[Laughter]** But if he was indeed impugning the motives of other Members, and if you missed that as well, then I do hope that he will correct that perhaps on studying *Hansard*. I would just like to commend Deputy Bryans for allowing his name to go forward. **[Approbation]** He is a busy Deputy and he is also Assistant Minister of a major department, so I think that is all the more creditable that he is doing it. He will, by being on the Planning Applications Panel, redress the balance which has been tipped very much in favour of the rural interests and I look forward to getting a little bit more sanity when it comes to decisions affecting **[Laughter]** ... so I look forward to a bit more balance in some of the decisions. As I say, I commend him for doing that and I think, as other Members have indicated, that Deputy Tadier ought to try a spell on Planning to see what it is like and to see how difficult it is and how genuinely both the officers and the Members commit themselves to this difficult task.

9.8 Connétable J.L.S. Gallichan of Trinity:

I am not going to say anything except that I think it was brought up over time that every Member of the States should sit on the Planning Applications Panel and I would say it would be a good idea if we had a rota system that everyone could have a go and see how difficult it is. It is not the easiest job to do; I have been Panel Chairman for a number of years, now Deputy Power has taken that over, and it is subjective. Whatever we do, some people think we are wonderful and others will think we are the worst panel they have ever met and, unfortunately, that is part of the job. If those people who have such convictions would put their names forward to do the job as well, it would be most helpful for everyone.

9.9 Deputy T.M. Pitman:

I just want to support the Connétable of Trinity. I wish Deputy Bryans every success, and I think the idea of a rota system is excellent and perhaps we could carry that forward so we could have the same thing with Ministers **[Laughter]** and then jobs could be awarded on ability and knowing something about it first.

The Deputy Bailiff:

Because it is 4.30 p.m. we do not have to fill in the time, Deputy. **[Laughter]** Does any other Member wish to speak?

Deputy M. Tadier:

Could I just address ... if I did impugn States Members, I would like to apologise for that; it was not my intention. I have taken on board what the Chief Minister said and I think he is right. Obviously, my frustration remains; I think that will need to be brought forward in a different capacity, so I will be only too happy to support the appointment of Deputy Bryans because I think it certainly does add balance for a much needed ...

The Deputy Bailiff:

This is your second speech.

Deputy M. Tadier:

It is just to clarify why I will ...

The Deputy Bailiff:

It is not a clarification; it is a second speech. If I thought you were impugning the integrity of Members I would certainly have said so. Does any other Member wish to speak? Then can I ask the Minister of Planning to reply.

9.10 Deputy R.C. Duhamel:

The job is not an easy one and it used to be said of other panels that were equally as difficult, in particular the Housing Appeals group that I sat on for a period. Between that particular panel and the Planning Applications Panel, we did not really know which was the most difficult. So I do take my hat off to all those Members who have put their names forward because it is a voluntary position and people have to offer their services in order to be nominated. I do think, as I mentioned earlier, that Deputy Bryans will redress the balance, certainly in terms of the numbers. I have considered suggestions from Deputy Young and others in that perhaps a review of whether or not the decision-making should be done by more than a single simple majority, but at the moment we did not have a position whereby we had the odd number of Members. This will redress the balance if we do end up with situations under the published protocol for the running of the Planning Applications Panel whereby individual members are duty-bound to not participate in particular decisions that are on their own planning patch, so to speak, within the Parish that they represent. If

indeed decisions are becoming too frequent whereby it is split, then obviously further consideration will have to be undertaken in order to see whether or not we can come forward with a better system or a different system which might incorporate more lay members and indeed a planning ombudsman or some other formula. It is under active review and I am sure that in the meantime those Members who are nominated will do their best. That said, there will be occasions (and this comes with the job) where some Members of the House will be happy with a decision and others will be unhappy and that is the nature of the job. So I have picked up the comments from Deputy Tadier. In response to those, in particular, there are supplementary planning guidance notes that have been produced and are about to be published in terms of the finer guidelines for NE6 policies, and indeed for applications within the Green Zone, and I think I will leave it at that. I make the proposition.

The Deputy Bailiff:

Would all Members in favour of adopting the proposition and appointing Deputy Bryans as a member of the Planning Applications Panel kindly show? Would those against please show? The proposition is adopted.

10. Draft Employment (Jersey) Law 2003 (Amendment Nos. 5, 6 and 7) (Appointed Day) Act 201-. (P.19/2012)

The Deputy Bailiff:

We now come to P.19 - Draft Employment (Jersey) Law 2003 (Amendments 5, 6 and 7) (Appointed Day) Act - and I ask the Greffier to read the proposition.

[16:30]

The Deputy Greffier of the States:

The States, in pursuance of Article 7.2 of the Employment (Amendment No. 5) (Jersey) Law 2010, Article 7 of the Employment (Amendment No. 6) (Jersey) Law 2012, and Article 10 of the Employment (Amendment No. 7) (Jersey) Law 2012, have made the following Act.

10.1 Senator F. du H. Le Gresley (The Minister for Social Security):

This Appointed Day Act will bring into force a number of amendments to the Employment (Jersey) Law 2003. Three amendments to the Law, relating mainly to redundancy rights, were adopted by the States during 2010 and 2011. Amendment 5, which sets out the right to a redundancy payment, which was introduced on 1st January 2011, and procedures for collective redundancy situations; amendment 6, which adjusts the redundancy rights and collective redundancy procedures provided in Amendment 5; and amendment 7 which addresses the cruellest under short fixed term contracts in respect of qualifying for redundancy rights. Article 1.1 of this Appointed Day Act sets out the amendments that will come into force immediately if this proposition is approved today. These include amendments to clarify existing redundancy rights, including the definition of dismissal and the rules for determining a week's pay. It is to include weeks in which an employee works less than 8 hours in the calculation of continuous service for the purpose of calculating whether an employee has the required 2 years' continuous service to qualify for redundancy pay and also the interval that breaks continuous service between successive fixed-term contracts will be 9 weeks rather than 26 weeks for the purposes of calculating whether an employee has the required 2 years of continuous service to qualify for redundancy pay. This last amendment addresses an unintended consequence that the current rules are likely to discourage employers from re-employing the same people every year. This could have a disproportionate negative consequence for seasonal employers as well as on employment opportunities for current and future employees. My intention

is to minimise opportunities for abuse while being appropriate in view of genuine seasonal business practice. I should say that this will not change the existing rules for calculating continuous service for the purpose of entitlement to protection against unfair dismissal. Article 1.2 of the Appointed Day Act sets out amendments that will come into force on 1 June of this year. These relate primarily to collective redundancy situations and include a requirement for employers to consult with nominated representatives on behalf of employees when proposing to dismiss as redundant 12 or more employees at one establishment within a capture period of 30 days, whether they are in unions or are non-union employees. It also includes provisions for the election of employee representatives who would represent employees in collective consultation and rights for those representatives, and a protective award of up to 9 weeks' compensatory pay to each affected employee where an employer fails to consult and a requirement for employers to notify myself, the Minister for Social Security, when proposing the redundancy of 12 or more employees at one establishment in a 30-day capture period. I am proposing a 3-month notice period for these new provisions because they bring additional administration for employers and the potential for financial penalties when an employer does not comply. I propose the principles of the Appointed Day Act.

The Deputy Bailiff:

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

10.2 Deputy G.C.L. Baudains:

I agree with the proposition but I would like to make a note of caution and that is that I am becoming concerned about the increasing bureaucracy surrounding employment generally. I know from personal experience, a couple of years ago I intended employing a couple of people to assist with a project I was doing and, in the end, I decided not to because of the bureaucracy involved. There is a danger that by helping it is going to come to a balance point one of these days when the bureaucracy deters employers from employing people. It is a fine balance ...

The Deputy Bailiff:

Deputy, I am sorry to interrupt you; this is only an Appointed Day Act and if we are going to get into a debate about the employment legislation generally there will be no containing it. It is only a question of whether or not to bring legislation, which the States has already approved into force on the days which are proposed, and that is the extent of what is relevant.

Deputy G.C.L. Baudains:

Yes, thank you for the clarification but, in my view, the fact that we are bringing into force legislation is the thrust of my point and that by doing so we could be discouraging employers.

10.3 Deputy G.P. Southern:

I was going to ask the Minister why it has taken so long for this Appointed Day Act to come round but I have just realised it was because the previous Minister (and can he confirm) did not enact what he was told by the States but went away and re-consulted over these particular terms.

10.4 Deputy M.R. Higgins:

My question for the Minister is why are we waiting until 1 June to bring this in, especially at this time when we know the fulfilment industry and other firms may well be suffering large redundancies and why are we not giving these people the right to be consulted beforehand. So why the delay in the Appointed Day Act?

10.5 Deputy J.H. Young:

My question is related to the delay or the period of time in putting these amendments into effect. A question of the Minister is to ask whether or not any of these law amendments are dependent in any way on the passing of subordinate regulations, because I know we are in a position where at least one subordinate regulation is awaited on unfair dismissal, particularly the discrimination on grounds of pregnancy, which cannot be brought into effect still without those regulations. So are there any in here which are again dependent on regulations which are missing?

10.6 Senator I.C. Breckon:

The Appointed Day Act seeks to bring in the rules relating to collective consultation. I seem to remember there was some discussion about that and it has probably caused some delay. The Minister mentioned that it is effective for 12 persons. I am aware that perhaps this situation is being abused. I want to ask if the Minister would be mindful of this, because if somebody is going to make 12 people redundant and they do 4, then they do another 4 and then they do another 4 so that they do not come within the ambit of this. I wonder if the Minister is aware of that and if he would make inquiries if it is the case?

The Deputy Bailiff:

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

10.7 Senator F. du H. Le Gresley:

Yes, I am sympathetic with the view of Deputy Baudains that gradually we are increasing the bureaucracy of employers, however, I think this particular Appointed Day Act relates to the very urgent need for redundancy rights and, given the current economic climate, I do not think anybody in this House would look back and say that we made a mistake when we introduced people's rights to redundancy pay. I am aware obviously that in future legislation that may come before this House which I may have to bring I will be looking at what that imposes on employers because I am very aware we have an Island where we have a lot of small employers and obviously this sort of legislation, or bureaucracy as called by the Deputy, can tie-up a lot of time when really they want to be out there earning money for the business. Deputy Southern asked me why it has taken so long. Well, I suppose partly because we have obviously had an election, a change of Minister, and yes, the Deputy is correct, we did consult again with the Employment Forum as to the numbers that we should involve. I know the Deputy wanted a higher number but the figure was approved by the States at 12 and that is what we are proposing to introduce in this Appointed Day Act. I think in answer to Deputy Higgins, there is a need for these sorts of new regulations; I think a lot of employers probably have forgotten about the amendments that we passed back in 2010/2011 and only when they come into force do they realise that they have got to start doing something about complying, so I do feel that the decision to delay the introduction of some of the regulations until June is the right decision and that is why I am proposing it. Deputy Young asked me if we had missed anything in some of the amendments. There is one major one that we have not and will not be bringing into force, which is part of Article 6, amendment 5 which relates to age discrimination and whether we would be removing the upper age limits on the right to protection against unfair dismissal, which is Article 74 of the principal law. Until we have age discrimination legislation I have no proposal to bring that amendment into force and Members will be aware that I have been charged by this Assembly to look at the discrimination legislation and bring something back to this House sometime this year, so age discrimination forms a part of any discrimination law at some stage. Senator Breckon asked me if I was aware that employers are letting people go in smaller numbers and yes, obviously that is happening thus the decision of the employer, but I have to say that in answer to somebody who asked me about the fulfilment industry, in the case of the larger employer who has given redundancy notices, they did inform my department of what they were proposing to do. They have been liaising with J.A.C.S. (Jersey Advisory and Conciliatory Service)

and I believe that because J.A.C.S. have been involved throughout all these negotiations, about these amendments, they have been educating employers in preparation for the introduction of these new laws. As I say, I do believe that it is very, very important that we have redundancy rights and this completes the process that was started by the previous Minister and I ask for the appel.

Deputy G.P. Southern:

A point of clarification: the Minister suggested I wanted a higher number, in fact it was a lower number.

The Deputy Bailiff:

The appel is called for on the Appointed Day Act for the Draft Employment Amendments No. 5, 6 and 7. I invite Members to return to their seats and I ask the Greffier to open the voting.

POUR: 45

CONTRE: 0

ABSTAIN: 0

Senator P.F. Routier
Senator P.F.C. Ozouf
Senator A. Breckon
Senator S.C. Ferguson
Senator A.J.H. Maclean
Senator B.I. Le Marquand
Senator F. du H. Le Gresley
Senator I.J. Gorst
Senator L.J. Farnham
Connétable of St. Helier
Connétable of Trinity
Connétable of Grouville
Connétable of St. Peter
Connétable of St. Mary
Connétable of St. John
Connétable of St. Ouen
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy R.G. Le Hérisssier (S)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy J.A.N. Le Fondré (L)
Deputy S.S.P.A. Power (B)
Deputy K.C. Lewis (S)
Deputy M. Tadier (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)
Deputy G.C.L. Baudains (C)
Deputy of St. John
Deputy J.P.G. Baker (H)
Deputy J.H. Young (B)
Deputy S.J. Pinel (C)

Deputy of St. Mary
Deputy of St. Martin
Deputy R.G. Bryans (H)
Deputy of St. Peter
Deputy R.J. Rondel (H)

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

11. The Deputy Bailiff:

We now come to the arrangement of public business.

11.1 The Connétable of St. Helier (Chairman):

The arrangement of public business is as set out on the Consolidated Order Paper with the exception that P.174 - Election campaign period- has been withdrawn by Deputy Le Hérissier who is clearly mindful of the good work being done by the Sub-Committee chaired by Deputy Martin. Also, P.182- States of Jersey Police Force Law - has been put off until 15 May at the request of the Minister. I would like finally to ask Deputy Southern whether he is willing to, also as Deputy Le Hérissier has done, withdraw P.177, which is Standing Orders: Answers to Questions, in the light of the fact that the Sub-Committee dealing with that matter is in full swing. It of course includes the Deputy in its membership and we have just had our paperwork for our third meeting which is taking place on Thursday. I submit that it will be an unnecessary use of Members' time to debate this matter when it is very much within the framework of that Sub-Committee's work.

[16:45]

11.2 Deputy G.P. Southern:

In the context of the fact that the Bailiff had felt moved to write to Ministers suggesting that they get on with answering questions, a proposition on addressing the question when Ministers answer is highly appropriate for now. There is no hurry about it. I will put it off but I am bringing it, as is my right as a Back-Bencher to bring it, and I am quite happy to defer it but not to abandon it.

The Deputy Bailiff:

Connétable Chairman, may I ask when the Sub-Committee is expected to report?

The Connétable of St. Helier:

Well, we are very much in the hands of the Members on it, including Deputy Southern; I think as soon as we have done our work. But the idea was to do this in a matter of months. His proposition would have to be re-lodged because it will run out of time. That is also the case of Deputy Le Hérissier, who is quite able to bring his proposition back if the Electoral Sub-Committee does not conclude its work. But the Deputy does seem to be saying he is willing to defer, and I thank him for that, although clearly he will need to bring it back as a fresh proposition if the Sub-Committee does not deliver.

The Deputy Bailiff:

Well, do I understand you are withdrawing it then, Deputy Southern, and will re-lodge if necessary?

Deputy G.P. Southern:

My words were: "Deferring rather than abandoning."

The Deputy Bailiff:

You will fall foul of the 6 months rule.

Deputy G.P. Southern:

In which case it is abandonment; I will leave that ship then. **[Laughter]**

The Deputy Bailiff:

So you are withdrawing it, thank you. Very well. Thank you, Chairman, let us make clear to Members what we are meant to be debating.

11.3 Deputy G.P. Southern:

Out of courtesy to the Assembly, I just wish to state what I sent in an email to Members, that I will be lodging after the U.K. Budget a matter concerning an amendment to income tax law in relation to pensions and, after having taken soundings from Members, I may request for reduced lodging time in the interests of the economic development of Jersey. I will be briefing Members on that but I thought it was courteous to say to Members at this stage in this Assembly that that is possibly on the horizon.

The Deputy Bailiff:

All right. Thank you. Very shortly we will adjourn but I just mentioned for Members that there is the suggestion of elections to the British-Irish Representatives to the British-Irish Parliamentary Assembly, but this is not a matter that is coming within the formal States meeting, but any Members who are interested should remain for those elections to take place immediately afterwards. I will accordingly close the session and then return shortly to carry out that election. The States stand adjourned until next time.

ADJOURNMENT

[16:47]