

**THE STATES assembled on Tuesday,  
4th April 2000 at 9.30 a.m. under  
the Presidency of the Deputy Bailiff,  
Michael Cameron St. John Birt, Esquire.**

**His Excellency the Lieutenant Governor,  
General Sir Michael Wilkes, K.C.B., C.B.E.,  
was present**

All members were present with the exception of -

Kenneth Priaulx Vibert, Connétable of St. Ouen - absent  
David Leon Crespel, Deputy of Trinity - absent  
Robin Charles Hacquoil, Deputy of St. Helier - absent

Prayers

#### **Distinguished visitor - Canada**

The Deputy Bailiff informed the Assembly of the visit on 2nd and 3rd May 2000 of the speaker of the Canadian Senate, the Honourable Mr. Gildas Molgat.

#### **Distinguished visitor - Portugal**

The Deputy Bailiff informed the Assembly of the visit on 9th and 10th May 2000 of Mr. José Lello, Minister of State for the Portuguese Communities.

#### **Subordinate legislation tabled**

The following enactments were laid before the States, namely-

**Telecommunications (Telephones) (Amendment No. 31) (Jersey) Order 2000. R & O 26/2000.**

**Post Office (General Provisions) (Amendment No. 45) (Jersey) Order 2000. R & O 27/2000.**

**Post Office (Foreign Post Provisions) (Amendment No. 25) (Jersey) Order 2000. R & O 28/2000.**

**Criminal Procedure (Notice of Expert Evidence) (Jersey) Rules 2000. R & O 29/2000.**

**Petty Debts Court (Amendment No. 3) (Jersey) Rules 2000. R & O 30/2000.**

**Airport Dues (Tariff) (Amendment) (Jersey) Order 2000. R & O 31/2000.**

#### **Gambling Control Committee - appointment of member**

THE STATES appointed Deputy Shirley Margaret Baudains of St. Helier as a member of the Gambling Control Committee.

#### **Matters presented**

The following matters were presented to the States-

**Prison Board: report for 1999 - R.C.15/2000.**  
Presented by the Home Affairs Committee.

**States of Jersey Law 1966, as amended: delegation of functions - Fire Service - R.C.16/2000.**

Presented by the Home Affairs Committee.

**States of Jersey Law 1966, as amended: delegation of functions - motor vehicles: driving licences - R.C.17/2000.**

Presented by the Home Affairs Committee.

**States of Jersey Law 1966, as amended: delegation of functions - motor vehicles: construction and use - R.C.18/2000.**

Presented by the Home Affairs Committee.

The States ordered that the said reports be printed and distributed.

**Telecommunications Board: annual report and accounts for 1999.**

**Inflation in Jersey.**

Presented by the Finance and Economics Committee.

The following matters were presented on 14th March 2000 -

**Agricultural loans: annual report - R.C.11/2000.**

Presented by the Agriculture and Fisheries Committee.

**Dwelling Houses Loan Fund: accounts for 1999 - R.C.12/2000.**

Presented by the Housing Committee.

The following matters were presented on 21st March 2000 -

**Manpower report for the period 1st July 1999 to 30th September 1999 - R.C.13/2000.**

Presented by the Industries Committee.

The following matters were presented on 28th March 2000 -

**General Reserve: grant of additional funds to 31st December 1999 - R.C.14/2000.**

Presented by the Finance and Economics Committee.

THE STATES ordered that the said reports be printed and distributed.

### **Matters noted - land transactions**

THE STATES noted an Act of the Finance and Economics Committee dated 13th March 2000 recording the following decisions of the Treasurer of the States under delegated powers, in pursuance of Standing Orders relating to certain transactions in land -

- (a) as recommended by the Public Services Committee, the sale to Miss Sarah Ransom of land measuring 3,070 square feet situated at the southern boundary of Florida Villa, La Route de Vinchelez, St. Ouen, for the total sum of £7,070, with the purchaser to be responsible for the legal and other fees and expenses of both parties arising from this transaction, and also the establishment of the public footpath at her own expense to an approved specification, within two years of the date of contract;
- (b) as recommended by the Sport, Leisure and Recreation Committee, the entering into of a Deed of Arrangement with the Jersey Society for the Prevention of Cruelty to Animals (Incorporated), owners of No. 70 Val Plaisant, St. Helier, for the purpose of gaining access to the rear of those premises, across Springfield Car Park, which was utilised by the Society, for the sum of £250, with the owners of No. 70 Val Plaisant to be responsible for all legal fees arising from this transaction;
- (c) as recommended by the Sport, Leisure and Recreation Committee, the lease to Mr. Maurice

Francis Gotel of Fields Nos. 116 and 117, Crabbé, St. Mary (together measuring a total of 14 vergées), for the purpose of operating a clay pigeon shooting range, for a period of nine years from 25th December 1999, at a commencing annual rent of £750 payable yearly in advance, with rent reviews every three years in line with the percentage increase in the Jersey Retail Prices Index, subject to each party being responsible for its own legal fees arising from the agreement of the new lease;

- (d) as recommended by the Housing Committee, an increase in the ground rent for the 99 year lease from the Crown of land measuring approximately 18,750 square feet (0.97 vergée) at Le Parcq de la Belle Fontaine, La Rue de l'Aval, St. Martin (upon which has been constructed a development of two two-bedroom flats and three three-bedroom flats for social rented purposes), to an annual figure of £10,865 from 24th June 1997, which sum reflected an 8.65 per cent increase in the fair rents set over the same period;
- (e) as recommended by the Public Services Committee, the lease to the Jersey Electricity Company Limited of an area of land at Field No. 387, Grève de Lecq, St. Ouen, required for the construction of a jointing bay in connexion with the proposed 90 KV cabling link between France and Guernsey, for a period of 99 years with a one-off payment of rent of £250 payable upon passing of contract and, in addition, the grant to the Company free of charge wayleave rights in association with the jointing bay (as shown on Drawing No. SCL-1-199-9), on the basis that the Company would, on completion of the works, reinstate the Grève de Lecq sea defences and promenade along with associated land surrounding the jointing bay and cable route to the satisfaction of the Public Services Committee and the Environmental Services Unit of the Planning and Environment Committee, with each party being responsible for its own legal fees arising from this transaction;
- (f) as recommended by the Sport, Leisure and Recreation Committee, the lease to the Jersey Muzzle Loaders and Antique Firearms Association, of part of Field No. 116, Crabbé, St. Mary, for a period of nine years from 25th December 1999, at an annual rent of £150 payable in advance, subject to reviews every three years in line with the percentage increase in the Jersey Retail Prices Index, with all other terms remaining as in the previous lease, on the basis that each party would be responsible for its own legal costs arising from this transaction;
- (g) as recommended by the Sport, Leisure and Recreation Committee, the lease to the Jersey Outdoor Smallbore Rifle Club of an area of land (measuring 1.65 vergées) at Crabbé, St. Mary, for a period of nine years from 25th December 1999, at an annual rent of £150 payable in advance, subject to rent reviews every three years in line with the percentage increase in the Jersey retail Prices Index, with all other terms remaining the same as the previous lease, and on the basis that each party would be responsible for its own legal costs arising from this transaction;
- (h) as recommended by the Public Services Committee, the renewal of the lease to Gabetty Limited (with Mr. Gabriel De Silva Rodrigues and Mrs. Elizabeth Rodrigues, née de Freitas, acting as guarantors) of the Howard Davis Park Tea Rooms, St. Saviour, for a period of nine years from 1st January 1999, for a base annual rent of £18,000 or a sum equivalent to 15 per cent of gross sales recorded, whichever was the greater, with rent reviews on 1st January every three years from the commencement date of the lease and with the basic rent to be reviewed on an upwards only basis, the terms and conditions remaining the same as the pre-existing lease, and with each party to be responsible for its own legal costs arising from this transaction.

THE STATES noted an Act of the Finance and Economics Committee dated 13th March 2000 showing that, in pursuance of Standing Orders relating to certain transactions in land, the Committee had approved, as recommended by the Planning and Environment Committee the purchase of the undermentioned properties at West Hill, St. Helier, both located within 100 metres of the "bad neighbour" operation at the waste disposal site administered by the Public Services Committee -

- (a) the detached two-storey, four-bedroom property known as Pine Ridge, from Mr. Nicholas Aylesmere Palmer for the sum of £215,000; and
- (b) the semi-detached property (split into two flats), known as Narkunda, Mr. Martin James Coleman for the sum of £450,000;

on the basis of vacant possession in both cases, and with the Committee being responsible for both parties'

reasonable legal costs arising from the transaction.

### **Matters noted - acceptance of tender**

THE STATES noted an Act of the Finance and Economics Committee dated 13th March 2000, showing that, in pursuance of Rule 5 of the Public Finances (General) (Jersey) Rules 1967, as amended, the Committee had noted that the Public Services Committee had accepted the lowest tender for the Halfway Hill Foul Sewer extension to serve properties adjacent to Le Vier Mont, La Route de Longueville and La Rue à Don, in St. Saviour and Grouville, namely that submitted by M.J. Gleeson (Jersey) Limited in the sum of £299,474.81 in a contract period of 26 weeks.

### **Matters lodged**

The following matters were lodged “au Greffe” -

**Draft Police Force (Amendment No. 8) (Jersey) Law 200 - P.42/2000.**  
Presented by the Home Affairs Committee.

**Draft Road Traffic (No. 51) (Jersey) Regulations 200 (P.40/2000): amendment- P.43/2000.**  
Presented by Deputy G.C.L. Baudains of St. Clement.

**Minimising material and social deprivation: low income support - P.44/2000.**  
Presented by the Employment and Social Security Committee.

The following matter was deemed to have been lodged on 14th March 2000 -

**Draft Fishing Vessels (Safety Provisions) (Jersey) Regulations 200 - P.30/2000.**  
Presented by the Harbours and Airport Committee.

The following matters were deemed to have been lodged on 21st March 2000 -

**Le Coie Hotel and Simla, Janvrin Road, St. Helier: transfer of administration - P.31/2000.**  
Presented by the Planning and Environment Committee.

**Draft Health Insurance (Medical Benefit) (Amendment No. 51) (Jersey) Regulations 200 - P.32/2000.**  
Presented by the Employment and Social Security Committee.

**States Auditors: extension of contract - P.33/2000.**  
Presented by the Finance and Economics Committee.

**Waterfront Enterprise Board Limited: appointment of States Directors - P.34/2000 (2nd re-issue).**  
Presented by the Policy and Resources Committee.

**Jersey New Waterworks Company Limited: appointment of directors - P.35/2000.**  
Presented by the Finance and Economics Committee.

**Police Authority: appointment of member - P.36/2000.**  
Presented by the Home Affairs Committee.

**Ecology Fund: appointment of chairman of trustees - P.37/2000.**  
Presented by the Planning and Environment Committee.

The following matters were deemed to have been lodged on 28th March 2000 -

**Draft Transfer of Functions (Industries Committee) (Jersey) Act 200 - P.38/2000 (re-issue).**  
Presented by the Industries Committee.

**Draft Gambling (Betting) (Amendment No. 11) (Jersey) Regulations 200 - P.39/2000.**  
Presented by the Gambling Control Committee.

**Draft Road Traffic (No. 51) (Jersey) Regulations 200 - P.40/2000.**

Presented by the Home Affairs Committee.

**Assemblée Parlementaire de la Francophonie: Executive Committee - P.41/2000.**

Presented by Senator J.A. Le Maistre.

**Arrangement of public business for the present meeting**

THE STATES confirmed that the following matters lodged “au Greffe” would be considered at the present meeting -

Draft Fishing Vessels (Safety Provisions) (Jersey) Regulations 200 - P.30/2000.

Lodged: 14th March 2000.

*Harbours and Airport Committee.*

Le Coie Hotel and Simla, Janvrin Road, St. Helier: transfer of administration - P.31/2000.

Lodged: 21st March 2000.

*Planning and Environment Committee.*

Draft Health Insurance (Medical Benefit) (Amendment No. 51) (Jersey) Regulations 200 - P.32/2000.

Lodged: 21st March 2000.

*Employment and Social Security Committee.*

Waterfront Enterprise Board Limited: appointment of States Directors. - P.34/2000 - (2nd re-issue).

Lodged: 21st March 2000.

*Policy and Resources Committee.*

Jersey New Waterworks Company Limited:

appointment of directors. - P.35/2000.

Lodged: 21st March 2000.

*Finance and Economics Committee.*

Ecology Fund: appointment of chairman of trustees - P.37/2000.

Lodged: 21st March 2000.

*Planning and Environment Committee.*

States Auditors: extension of contract. - P.33/2000.

Lodged: 21st March 2000.

*Finance and Economics Committee.*

*(consideration in camera)*

Police Authority: appointment of member. - P.36/2000.

Lodged: 21st March 2000.

*Home Affairs Committee.*

*(consideration in camera)*

**Draft Fire Service (Amendment No. 4) (Jersey) Law 200 P.27/2000**

THE STATES acceded to a request of Deputy Alastair John Layzell of St. Brelade, President of the Home Affairs Committee, that consideration of the draft Fire Service (Amendment No. 4) (Jersey) Law 200 P.27/2000 lodged “au Greffe” on 7th March 2000 be deferred from the present meeting to a later date.

**Arrangement of public business for the next meeting on 11th April 2000**

THE STATES confirmed that the following matters lodged “au Greffe” would be considered at the next meeting on 11th April 2000 -

Fort Regent: redevelopment - P.181/99.

Lodged: 9th November 1999.

*Sport, Leisure and Recreation Committee.*

Draft Firearms (Amendment No. 2) (Jersey) Law 200 - P.2/2000.  
Lodged: 25th January 2000.  
*Deputy G.C.L. Baudains of St. Clement.*

Draft Firearms (Amendment No. 2) (Jersey) Law 200 (P.2/2000): report- P.2/2000 Rpt.  
Presented: 7th March 2000  
*Home Affairs Committee.*

Draft Transfer of Functions (Industries Committee) (Jersey) Act 200 - P.38/2000 (re-issue).  
Lodged: 28th March 2000.  
*Industries Committee.*

Draft Gambling (Betting) (Amendment No. 11) (Jersey) Regulations 200 - P.39/2000.  
Lodged: 28th March 2000.  
*Gambling Control Committee.*  
Assemblée Parlementaire de la Francophonie: Executive Committee - P.41/2000.  
Lodged: 28th March 2000.  
*Senator J.A. Le Maistre.*

### **Preparation of quarterly manpower figures- question and answer (Tape No. 574)**

Deputy Jeremy Laurence Dorey of St. Helier asked Deputy Maurice François Dubras, President of the Industries Committee, the following question -

“Now that the Policy and Resources Department has a full-time statistics officer who prepares the Island’s quarterly manpower figures on behalf of the Industries Committee, would the President inform members of any recent changes in the methodology used for compiling the figures identifying in particular (or estimating if exact figures are unavailable) the employment categories, and numbers, of economically active people who are -

- (a) no longer included in quarterly returns; or
- (b) now being included in quarterly returns for the first time; or
- (c) included in more than one manpower return?”

The President of the Industries Committee replied as follows -

“The changes in methodology that have been made in recent quarters to the Manpower Survey have concerned form design, validation procedures and presentation of the results. They have been directed towards producing figures which bear comparison over time.

On the specific points raised -

- (a) In 1992 returns were no longer required from residentially qualified working principals without employees working from home.
- (b) Following the tightening-up of the Law in June 1998, new undertakings with a sole working principal were required to obtain a licence and complete manpower returns.

From September 1999 the Manpower Survey has received returns from Jersey Harbours, Jersey Post and Jersey Telecoms. From March 2000 Jersey Airport will also be included.

- (c) There is no way of telling from the Manpower Survey returns how many people are reported on more than one return.”

### **Prosecutions under the Regulation of Undertakings and Development Law - questions and answers**

(Tape No. 374)

Deputy Jeremy Laurence Dorey of St. Helier asked Deputy Maurice François Dubras, President of the Industries Committee, the following questions -

- “1. Approximately a year ago, when the Finance and Economics Committee administered the Regulation of Undertakings and Development (Jersey) Law, 1973, as amended, the President of that Committee predicted that the first prosecutions for breaches of the Law, as most recently amended, were imminent. Would the President inform members -
  - (a) of the number and result of prosecutions which have taken place since June 1998?
  - (b) of the number of prosecutions pending?
2. Would the President assure members that no employees are presently known to be employed illegally, or give an estimate of the number of people believed to be so employed?”

The President of the Industries Committee replied as follows -

- “1.(a) Seven prosecutions have taken place. Four were successful and resulted in fines totalling £12,700. One case has been deferred.
- (b) At present, there are 12 cases under consideration by the Law Officers’ Department.
2. If an employee was known to be employed illegally, then the case would be referred to the Attorney General for possible prosecution. As responded to in the previous question, there are 12 cases under consideration.”

**Publication of statistics by the Employment and Social Security Committee - questions and answers**  
(Tape No. 374)

Deputy Jeremy Laurence Dorey of St. Helier asked Senator Terence Augustine Le Sueur, President of the Employment and Social Security Committee, the following questions -

- “1. In order to assist in the accuracy of locally-published estimates of population, would the President undertake to publish quarterly, with an analysis by age group, gender and contribution type, the numbers of people -
  - (a) who paid social security contributions during the previous quarter; or
  - (b) who were exempted from paying social security contributions during the previous quarter?
2. If the answer to question 1 is in the negative, would the President explain why this is not possible?”

The President of the Employment and Social Security replied as follows -

“I am happy to publish the numbers of people who have paid contributions or were exempt each quarter with the analysis required. Indeed, these figures have always been available to any organisation who can make use of them, including the Policy and Resources Department’s statistical unit.

However, I would stress that these quarterly statistics are collated from information collected for Social Security purposes, not for the estimation of population. As Social Security contributions are based on monthly earnings, the figures do not give a snapshot in time, they represent the number of people who have paid contributions at any time during the month, including people who may have left the Island before the end of that month. The figures would also include those people who are paying contributions to Jersey from overseas and will, conversely, exclude a small number of detached workers, working temporarily in Jersey but paying contributions elsewhere.

In summary, these statistics relate only to the population of working age who are liable for, and pay, Social Security contributions and hence only represent a proportion of the total population. As with all statistics, care needs to be taken when interpreting them, particularly when they have been collected for

another purpose.

**Appointment of a new chief officer of the Agriculture and Fisheries Committee - questions and answers**  
(Tape No. 374)

Deputy Philip Francis Cyril Ozouf of St. Helier asked Senator Jean Amy Le Maistre, President of the Agriculture and Fisheries Committee, the following questions -

- “1. Would the President inform the Assembly of the qualifications and experience that a successful candidate should possess for the post of Chief Executive Officer of the Department of Agriculture and Fisheries and why?
2. Would the President confirm to members whether the new Chief Officer post was advertised locally on the same basis as in the United Kingdom, in particular in terms of the proposed length of the contract?
3. Would the President inform members -
  - (a) how many responses were received when the post was advertised locally?
  - (b) on what date those responses were assessed?
  - (c) whether any of the local candidates were interviewed?”

The President of the Agriculture and Fisheries Committee, replied as follows -

- “1. The criteria that were used consistently in determining who should be appointed to the post of Chief Executive Officer were broadly that the applicant should have a good knowledge of the agricultural industry and should also possess excellent management skills. In detail, this included -
  - (a) a breadth of understanding of the agricultural industry;
  - (b) evidence of team leadership at a strategic level;
  - (c) financial and commercial management skills;
  - (d) experience of planning and innovating at a strategic level, and
  - (e) a record of delivering corporate and strategic goals.

These criteria were used because they had been identified as being those most appropriate for anyone who will have to deal with the significant challenges facing the industry.
2. Yes.
- 3.(a) Five applications were received when the post was advertised locally.
- (b) It is impossible to identify at this stage the exact days on which these applications were assessed. However, the applicants were notified formally of the outcome of this assessment on 16th December, 1999 and 10th January, 22nd March and 23rd March, 2000.
- (c) As the local candidates did not meet the criteria set, none were interviewed.”

**Enterprise support payments - questions and answers** (Tape No. 374)

Deputy Philip Francis Cyril Ozouf of St. Helier asked Senator Jean Amy Le Maistre, President of the Agriculture and Fisheries Committee, the following questions -

- “1. Would the President inform members whether the Committee believes that the formula for the allocation of enterprise support described in the policy plan approved by the States on 29th September 1993 is still appropriate?
2. Would the President inform members how the Committee now proposes, subject to the consent of the Finance and Economics Committee, to allocate the additional aid to the industry?
3. Would the President advise the Assembly of the exact criteria that need to be met for growers who export to qualify for enterprise support payments?
4. Would the President inform members whether the Jersey Potato Council (formally Jersey Agricultural Marketing Federation) was consulted in connection with the most recent successful applications and, if not, why consultation did not take place?
5. Would the President confirm whether the applications referred to in question 4 pose a direct and substantial threat to the well-being of Jersey’s agricultural industry by transferring vital price control and co-ordination away from the Island into the hands of a competitor?”

The President of the Agriculture and Fisheries Committee replied as follows -

- “1. As the Deputy has indicated, the provision of enterprise support was approved by the States in 1993 and successive Agriculture and Fisheries Committees have awarded support to the industry on this basis since that time. The present Committee, in conjunction with the Policy and Resources Committee, is about to commission a review of the agriculture and fisheries industries and it is the intention of the Committee to review the provision of enterprise support in the light of the findings of that review.
2. The Committee intends to allocate the additional aid by applying the policies that are set out in the 1993 Policy Report. In addition, the Committee will be seeking to discuss with the Finance and Economics Committee how any outstanding balance of this additional aid might be applied to support the industry in the most effective manner.
3. The criteria are set out in paragraph 5.3.1 of the 1993 Policy Report of the Agriculture and Fisheries Committee. In essence, it identifies that support is justified if growers market their crops through one of the marketing groups that had been formally recognised by the Agriculture and Fisheries Committee and that it will only be paid on units of first quality production.
4. I have assumed that the Deputy is referring to the approval of applications for recognition as marketing organisations which took place in 1999, during the term of office of the previous Agriculture and Fisheries Committee. I understand that the Jersey Potato Council was not consulted on that occasion because the matter did not come within the terms of reference of that body.
5. I have had difficulty in understanding the use of the word “competitor” in this context.

It is true that the most recently recognised marketing organisations will be dealing with what is referred to as a “category manager” who supplies produce to a large chain of supermarkets in the United Kingdom. However, the new marketing organisations will be seeking to negotiate the best possible price for their produce with the category manager in a similar way to the current marketing organisations in Jersey.

The Deputy will appreciate that these are commercial activities and are the direct responsibility of those who are concerned in these matters. However, the Committee is expecting the co-ordinating role of the Jersey Potato Council to be maintained and that there will be a common approach towards marketing the Jersey Royal throughout the season.

The simple answer is, therefore, ‘no’.”

The Deputy of St. John asked Senator Nigel Lewis Qu  r  e, President of the Planning and Environment Committee, the following questions -

- “1. On 24th September 1996 when the States expressed their support for the intention of the Committee to introduce fees for planning and building control services, a draft schedule of fees was agreed and members were informed that fees would be simple, realistic, fair, and equitable with applications being processed within approximately eight weeks. Would the President inform members whether or not the Committee has been able to maintain that target, and if not, would he explain why?
2. Would the President explain why charges in some categories on the fee schedule have risen by considerably more than the rate of inflation, in breach of the States’ policy of increasing charges by no more than 2.5 per cent?”

The President of the Planning and Environment Committee replied as follows -

- “1. On 2nd February 1999 in response to the Deputy’s similar question I advised the States of the Committee’s performance in processing Planning and Building Bye-Law applications for the years 1994-98. I would remind the Deputy that these figures showed a consistently steady improvement in the speed of decisions. The percentages of applications determined within the eight week period which is included within the Code of Practice, were published in the 2000 Budget -

1996	74.5 per cent
1997	74.2 per cent
1998	76 per cent

I am pleased to advise the Deputy that preliminary figures for 1999 show that 77 per cent of applications which were determined were dealt with within the eight week period.

The Code of Practice states that the Committee aims to decide the majority of Planning and Building Bye-Law applications within eight weeks, where the applicant’s obligations have been met. There are numerous reasons why the minority of applications cannot be dealt with within this period, which includes the applicant’s own choice, changes to the application or the design proposed, failures to comply with the obligations, i.e. submit correct drawings, provide sufficient information and the highest quality of design. I can say with confidence that the Committee has been able to maintain the target despite the sustained increase in the number of planning and building applications and the constraints of available expert staff resources.

However, the Committee has introduced a number of important changes to respond to the recommendations of the Beauvoir Committee of Inquiry to ensure that our scrutiny of detail is always adequate and to provide greater transparency in decision-making. These changes have resource implications. The indications are that the current very high level of performance, which substantially exceeds United Kingdom standards, cannot be maintained in the future without further resources being available to the Committee. This is a matter which will be referred to in the service review report which I hope to be able to publish shortly.

2. On 2nd February 1999 I answered the Deputy’s similar question and explained to the States the increases in charges which had been made from 1st January 1999. I explained that the percentage of fee income was increased to 50 per cent of the total costs of the Planning (Development Control) and Building Control service.

The Committee has since revised the fees payable from 1st January 2000 and has applied an aggregate total increase of 2.5 per cent increase within the Finance & Economics Committee’s policy.

The actual fee schedule approved in the Order comprises 84 items. These show increases ranging from nought per cent to five per cent. 17 items were increased between three per cent and five per cent, for example a material alteration to a building was increased from  20 to  21, 22 items were

not increased at all, i.e. signage and retaining walls. These minor corrections were made in the interests of ensuring the fee schedule continues to be 'simple, realistic, fair and equitable', as quoted by the Deputy's first question."

#### **Buildings of Local Interest - questions and answers (Tape No. 374)**

Deputy Gerard Clifford Lemmens Baudains of St. Clement asked Senator Nigel Lewis Quérée, President of the Planning and Environment Committee, the following questions -

- “1. Would the President advise members whether the owner of a building listed as a Building of Local Interest (B.L.I.) is entitled to the same grants or subsidies as an owner of a building on the Sites of Special Interest (S.S.I.) list?
2. Would the President agree to ensure that any notification to owners concerning the proposed listing of their property as an S.S.I. or a B.L.I. will carry an explanation of the appeal procedure that is available to them?

The President of the Planning and Environment Committee replied as follows -

- “1. Under the States approved grants scheme the Committee is able to provide grants to assist the owners of buildings which are either designated as Sites of Special Interest under the Island Planning Law (Jersey) Law 1964, as amended, or proposed Sites of Special Interest. This scheme was introduced in 1996 and has proved to be a tremendous success. Over £350,000 has been allocated to owners of over 55 properties. Grants are normally based on 40 per cent of eligible costs up to a maximum of £10,000 per property.

There has been much interest from owners of Buildings of Local Interest (which are neither Sites of Special Interest nor proposed Sites of Special Interest) and numerous requests for financial assistance. Although these buildings are affected by the Committee's and States' policies they are not currently eligible for grant aid, a situation which the Planning and Environment Committee regard as no longer tenable.

A proposal was therefore submitted to the Finance and Economics Committee at the beginning of February this year for the introduction of a pilot scheme of grants for Buildings of Local Interest (BLIs). The proposal was based on a maximum of 25 per cent of grant eligible costs and a maximum of £2,500 per property. It is submitted that only the exterior of BLIs which are visible from the public highway would be eligible for grant aid.

The response of the Finance and Economics Committee has been to request the Committee to present a report and proposition to the States. The pilot scheme cannot be implemented until a States decision is given. The Committee plans to further discuss this matter with the Finance and Economics Committee.

2. I can advise the Deputy that it is normal practice for the Committee to ensure that the owners of buildings proposed either as SSIs or BLIs are advised of the appeal procedures which apply. For SSIs the process is specified under Article 9 of the Planning Law. These details are set out in the leaflets for SSIs and BLIs which are available in the Department and sent to every owner.”

#### **States of Jersey Police Force - question and answer (Tape No. 374)**

Deputy Gerard Clifford Lemmens Baudains of St. Clement asked Deputy Alastair John Layzell of St. Brelade, President of the Home Affairs Committee, the following question -

“In reply to questions by Senator P.V.F. Le Claire on 7th March 2000, the President stated that 12 officers were on sick leave. Would the President advise members how many officers were suspended from duty at that time, and were the numbers included in the 12 said to be on sick leave?”

The President of the Home Affairs Committee replied as follows -

“Five officers were, and are, currently suspended from duty. They were not included in the twelve who were on sick leave.”

**Co-operation between the States of Jersey Police Force and the Honorary Police - question and answer**  
(Tape No. 374)

Deputy Roy George Le Herissier of St. Saviour asked Deputy Alastair John Layzell of St. Brelade, President of the Home Affairs Committee, the following question -

“Would the President inform members whether the Committee considers that adequate steps have been taken to ensure close co-operation between the States of Jersey Police Force and the Honorary police to enable the latter to make a significant contribution to dealing with street crime in St. Helier?”

The President of the Home Affairs Committee replied as follows -

“Yes. Co-incidentally, the Committee has been seeking an independent answer to this question and I have asked Her Majesty's Inspector of Constabulary to review the matter as part of his forthcoming inspection.

I should like to take this opportunity to tell Members that HMI has also agreed to look at the number of police officers patrolling the streets of St. Helier, particularly at night.”

**Implementation of the Audit Commission report on advertising - questions and answers** (Tape No. 374)

Senator Frank Harrison Walker, President of the Finance and Economics Committee declared an interest in the subject matter of these questions and invited the Deputy of St. Mary, Vice-President of the Finance and Economics Committee, to reply to the questions.

Deputy Roy George Le Herissier of St. Saviour asked the Deputy of St. Mary, Vice-President of the Finance and Economics Committee, the following questions -

- “1. Would the President inform members of the steps that have been taken to implement the recommendations of Audit Commission Report No. 9 in relation to States advertising in the Jersey Gazette to ensure that the States of Jersey obtain an appropriate corporate discount?
2. Would the President inform members if the Committee has investigated the possibility of taking advantage of new and developing mediums such as the Internet to publish official notices as an alternative to using the Jersey Gazette, as recommended in the Audit Commission Report?
3. Given the recommendations of Audit Report No. 9, what actions have been taken to ensure States recruitment advertising appears in a corporate ‘space’ as in the Guernsey media?”

The Vice-President of the Finance and Economics Committee, replied as follows -

- “1. The Corporate Supplies Department entered into negotiations with the Jersey Evening Post regarding options for both the Gazette and Classified advertising in August 1998 with subsequent meetings in December 1998 and January 1999. However, it transpired that corporate discount would only be offered subject to a number of conditions, including the proviso that there be one States account administered centrally. The level of discount offered was considered insufficient to cover the costs of the extra resources required to administer the account in the manner prescribed. Advertising is included in the Corporate Supplies Department procurement plan to progress during 2000 and alternatives to advertising in the J.E.P will be actively considered as part of this process.
2. Although the issue of the publication of official notices was referred to in the Audit Commission Report members will appreciate that this is not a matter that falls directly within the responsibility of the Finance and Economics Committee. At present the Greffier of the States has a statutory

duty under the provisions of the Official Publications (Jersey) Law 1960 to cause a notice to be published in the Jersey Gazette following the promulgation of Laws and Regulations passed by the States or following the making of an enactment by any administration of the States. The Greffier also has a duty to publish a certain number of other official notices in the Jersey Gazette and members will be aware, for example, that the Standing Orders of the States require him to cause to be published a notice giving details of matters lodged “au Greffe” on a Tuesday when the States are not meeting.

On 11th October 1960 the States made an Act in pursuance of Article 1 of the Official Publications (Jersey) Law 1960 designating the Jersey Evening Post as the newspaper in which the Jersey Gazette should be published. The Greffier of the States does not, therefore, have any alternative at the present time but to use the Jersey Gazette in the J.E.P. for the publication of official notices.

Although the Finance and Economics Committee has not yet investigated the possibility of using new mediums such as the Internet for the publication of official notices, members will be aware of the current initiatives being taken to improve access to information in the context of the ‘e-government’ proposals being promoted by the Jersey Information Society Commission. It is, of course, possible that alternative ways of publishing information and official notices can be identified as part of those initiatives to ensure a wide dissemination of information at a reduced overall cost to the public purse, although, at this time, it is unlikely that these initiatives are sufficiently well-developed to replace the current arrangements.

3. The Finance and Economics Committee has no responsibility for recruitment advertising as this is the responsibility of individual departments. Any initiative to take a co-ordinated approach to recruitment advertising would need to be addressed by the Human Resources Committee.”

#### **Tax liabilities for 1998 - questions and answers (Tape No. 374)**

Senator Stuart Syvret asked Senator Frank Harrison Walker, President of the Finance and Economics Committee, the following questions -

- “1. Will the president provide members with details of the tax liabilities that arose in the year 1998, broken down by standard industrial classification and will he include for comparative purposes the same information for the years from 1992?
2. In respect of the year 1998 would the President inform members of the percentage of tax liability attributable to personal taxation and the percentage attributable to corporate taxation for each of the sectors described above?

The President of the Finance and Economics Committee replied as follows -

- “1. As at 31st January 2000 the income tax charged for the year of assessment 1998 amounted to £312.87 million.

This excludes tax charged on those involved in the supply of gas, water and electricity and on those few people running private schools in order to preserve their confidentiality.

The figure of £312.87 million breaks down as follows -

<b>A.</b>	<b>BY INDUSTRY</b>	<b>£ million</b>
1.	Agriculture	3.23
2.	Fishing	0.24
3.	Quarrying	included in construction
4.	Manufacturing	1.62
5.	Electricity, gas, water	not supplied
6.	Construction and quarrying	5.37
7.	Wholesale and retail	10.44
8.	Hotels and restaurants	4.94
9.	Transport and communications	1.75

10.	Financial intermediation	150.56
11.	Real Estate (fee income)	0.26
14.	Health and Social work	1.68
15(i)	Other business services	8.93
15(ii)	Other community, social and personal services	6.70
16.	Private households with employees	no records kept

Standard Industrial classification 12 (Public Administration and Defence) and 13 (Education) have been excluded because no direct tax revenue arises from those activities carried on by the States. Similarly, the figures given under 14 (Health and Social Work) and 15(ii) (other community social and personal services) reflect only the profits of private providers.

## **B BY INDIVIDUALS**

Employees	83.91	Rentiers and retired	23.07
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## **C BY OTHERS**

Investment Holding Companies	10.17
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These figures have been compiled on the same basis as before and will be published in the Treasurer's 1999 Financial Report and Accounts in a few weeks' time. The general conclusion to be drawn is one of a strong economy continuing to grow at a healthy rate. Over the years 1992 and 1998 the figures show an increase of 52 per cent or 8.7 per cent a year, a result that would be the envy of many other places around the world.

Increases, 1998 over 1997, are seen in almost every sector of our economy with the finance sector turning in a particularly strong performance: of the £30 million increase 1998 over 1997 £12 million came from finance sector profits alone.

The Senator also asked me to provide, for comparative purposes, the same information for the years 1992 to 1997. In reply I would refer him to the answer I gave in the States on 16th February 1999, when I presented those figures in answer to his question -

*'would the President provide members with details of the tax liabilities that arose in the years 1992, 1993, 1994, 1995, 1996 and 1997 broken down by standard industrial classification'.*

I do not propose to read out those figures again but members will find with their papers a copy of the information I gave them at that time. (*Note - the figures given are published on pages 107 and 108 of the States Minutes of 16th February 1999*).

2. The split between the tax on profits made by companies (corporate taxation) and the tax on profits made by self employed individuals (personal taxation) with the sectors mentioned earlier is as follows -

### **BY INDUSTRY**

	<b>COMPANIES</b>	<b>INDIVIDUALS</b>
Agriculture	1.83m=56%	1.40m=44%
Fishing	0.12m=50%	0.12m=50%
Manufacturing	1.50m=93%	0.12m=7%
Construction and quarrying	3.60m=67%	1.77m=33%
Wholesale and retail	9.43=90%	1.01m=10%
Hotels and restaurants	4.22m=85%	0.72m=15%
Transport and communi-cations		

Financial intermediation	1.44m=82%	0.31m=18%
Real Estate (fee income)	147.13m=98%	3.43m=2%
Health and Social work	0.11m=42%	0.15m=58%
Other business services	0.25=15%	1.43m=85%
Other community, social and personal services	1.35m=15%	7.58m=85%
	4.00m=60%	2.70m=40%

Tax payable by employees is, of course, all personal taxation but there is no information to analyse the tax payable by employees by reference to the jobs they do.

The tax payable by rentiers and the retired is all personal taxation and tax payable by investment holding companies is all corporate taxation.

Of the total tax charged for the year of assessment 1998 66 per cent was corporate taxation, 34 per cent was personal taxation.”

#### **Attendance at a recent ABTA conference - question and answer (Tape No. 374)**

Senator Paul Vincent Francis Le Claire asked the Deputy of Grouville, President of the Tourism Committee, the following question -

“Would the President inform the Assembly whether the Committee is satisfied that the decision to send three delegates to the recent ABTA conference in Australia represented value for money for the taxpayers of the Island and explain to members why the Island’s interests could not have been adequately served by sending only one delegate?”

The President of the Tourism Committee replied as follows -

“The Tourism Committee sent a delegation of four persons to the ABTA Convention in November 1999, comprising the then President of the Committee, the Chief Executive Officer, the Marketing Director and the United Kingdom Marketing Manager.

The size of this delegation is both appropriate and normal as similar delegations have been sent to previous ABTA Conferences for many years.

The ABTA Conference is the only opportunity for Jersey Tourism to target the people who are largely responsible for encouraging visitors to Jersey. It typically attracts between 1,750 and 2,220 delegates from the UK travel trade and as such is a networking event which provides the Tourism team with opportunities at all levels to communicate with an industry which provides in excess of 60 per cent of our business. It is therefore the most important industry gathering of its kind during the year.

Members should understand that if four delegates attend the ABTA Convention each has a specific job to do. For example, hosting receptions for key industry contacts, attending business sessions, etc. I have to say that prior to becoming President of the Tourism Committee this was an aspect of off-island travel that I did not appreciate. The Tourism Department is the only States Department that has to operate in a globally competitive market and it is important that our personnel are part of that market place. When attending social and conference functions we are ambassadors for the industry which is the second pillar of our Island's economy bringing £246m into that economy.”

#### **Roofing structure of the Fort Regent Leisure Centre - (Tape No. 374)**

Senator Paul Vincent Francis Le Claire asked Deputy Michael Edward Vibert of St. Brelade, President of the

Sport, Leisure and Recreation Committee, the following question -

- (a) of the current, and anticipated, annual maintenance costs for the roof and roofing structure of the Fort Regent Leisure Centre?
- (b) of the life-expectancy of the current roof?
- (c) whether the Committee has received any information about potential structural problems with the roof which would require substantial expenditure in the future to rectify?

The President of the Sport, Leisure and Recreation Committee replied as follows -

- (a) Annual maintenance costs, including biannual engineer's inspection is £10,000 per annum; anticipated costs are not expected to rise other than by inflation.
- (b) Providing the on-going maintenance is maintained, no major work will be required to the roof membrane for at least 10 years.
- (c) The internal steel structure of the roof is generally in good condition and there are not considered to be any areas of immediate concern regarding its structural integrity. Following storm damage parts of the PVC roof membrane, while still intact, have now debonded from the underlying roof insulation. These repairs are in hand and will be covered under the warranty or insurance (Cost estimated at £80,000)".

#### **Memorandum of Undertakings concerning the provision of air traffic control services in the Channel Islands Control Zone - statement**

The Deputy of St. Mary, President of the Harbours and Airport Committee, made a statement in the following terms -

"In answers to questions I undertook to advise the Assembly when the Memorandum of Understanding concerning the provision of air traffic control services in the Channel Islands Control Zone had been signed. I wish to advise the Assembly that the document has been signed by Officials on behalf of Ministers; it has been signed by the Director General of Civil Aviation of the United Kingdom and the Director General of Civil Aviation of the Republic of France.

The Memorandum of Understanding lasts for a period of twelve years in the first instance and may be extended by three year periods thereafter.

The Financial Protocol to the Memorandum of Understanding fixes payments in the sum of Euros 5,699,241 per annum for the three years 2000, 2001 and 2002, subject to an audit of our operations and costs. At current exchange rates this is equivalent to about £3,500,000.

If members wish to read a copy of this Memorandum, it is available for inspection in the States Bookshop, Morier House."

#### **Charter of service for airlines operating scheduled services to the Island - statement**

Deputy Alastair John Layzell of St. Brelade, President of the Jersey Transport Authority, made a statement in the following terms -

"The Jersey Transport Authority has agreed a public 'Charter of Service' with British Regional Airlines in respect of the year round scheduled air services that airline is providing on the Jersey - Southampton route.

When British Regional Airlines made application under the Air Transport Permits (Jersey) Law 1998 for permission to operate scheduled air services on the Jersey - Southampton route, it promised to provide a 'Charter of Service' to be agreed with the JTA which would guarantee levels of service and of fares.

The agreed 'Charter' (a copy of which is reproduced at the end of this statement) includes twelve commitments on the part of British Regional Airlines. Among other things, the airline is committed to -

operate at least four round trips per day on weekdays, with a minimum of three round trips at weekends during the summer period, at least three round trips on weekdays and a minimum of two round trips at weekends at other times;

make available a minimum of 50,000 seats per annum at discounted one-way 'Farecracker' levels, with at least one round trip every day offering seats at this level. At least 66 seats per day in both directions will be available at this fare level;

guarantee discounts for children between the ages of two and fifteen inclusive; and

consult with the JTA prior to any fare increase on any route.

In the light of this successful outcome, and with the similar Service Level Agreements concluded with the shipping service providers in mind, the JTA has decided that a 'Charter of Service' will be required of any airline making application for a permit to operate year round scheduled services as a condition of any permit granted.

The JTA will also be encouraging those airlines already holding a permit for the provision of such services to enter into discussions with a view to producing a 'Charter of Service' similar to that provided by British Regional Airlines.

The JTA is strongly of the opinion that such agreements entered into with the providers of the Island's essential air and sea passenger services are of real and lasting benefit to the travelling public.

**Channel Islands Charter**  
**British Regional Air Lines Limited**  
**JERSEY-SOUTHAMPTON ROUTE**

British Regional Air Lines (BRAL), hereby undertakes to positively develop services on the key air route between Jersey and Southampton, to maximise the benefits to all users of the service, and to consult closely with the Jersey Transport Authority (JTA) on all pertinent issues relating to the long-term development of the route required to ensure an acceptable economic result is maintained.

BRAL undertake to make the following commitments -

At least four round trips per day will be operated on weekdays with a minimum of three round trips at weekends during the summer period, with at least three round trips on weekdays and a minimum of two round trips at weekends at other times.

BRAL will seek to add extra capacity at periods of peak demand where operationally and financially feasible.

BRAL will consult with the JTA in advance of any changes to schedules proposed for the Jersey to Southampton air service.

A minimum of 50,000 seats per annum will be available at discounted one-way Farecracker levels, with at least one round trip every day offering seats at this level. At least 66 seats per day in both directions will be available at this fare level.

BRAL will guarantee children discounts will be applicable for children between the ages of two and fifteen inclusive.

BRAL will consult with the JTA prior to any fare increases on any route.

BRAL will actively seek to develop new types of traffic to this route, particularly by working closely with tour operators, group traffic and Air Miles Limited.

BRAL will seek to develop over time a range of connecting opportunities at Southampton Airport to destinations within the UK, Ireland and Europe.

In the event of any planned cessation of this route, BRAL will provide notice of one IATA Schedule Season to the JTA of this intention.

BRAL will work closely with cargo forwarders and shippers, plus the Post Office, in the carriage of freight and mail.

BRAL will work closely with Jersey Tourism to explore means to develop new traffic to the Island and to actively promote Jersey at points of departure wherever possible.

BRAL will supply, on a monthly basis, details of passenger carryings, punctuality, and regularity, on a comparative basis to prior year.”

### **Channel Islands lottery - statement**

Deputy Alan Breckon of St. Saviour, President of the Gambling Control Committee, made a statement in the following terms -

“Members will recall that the Gambling Control Committee presented to the States on 7th March 2000 the Public Lotteries Report for 1999 (R.C.10/2000). This showed that total lottery ticket sales in both Jersey and Guernsey were just over three million in 1999 - the full figures are outlined below for the years 1990 to 1999 inclusive for members information and are self explanatory.

The United Kingdom lottery was launched on 14th November 1994 and ticket sales reached 68 million per week during 1996, although they have since fallen back from that level. Although the Channel Islands are not ‘a permitted territory’ in which the operator can legally sell tickets and award prizes, there is no doubt that many residents regularly buy tickets either themselves, while in the United Kingdom and through friends or family. This has had an effect on local lottery ticket sales - as is evident from the figures below.

The States of Jersey and Guernsey Gambling Control Committees met on Friday 18th February 2000 in order to discuss the future of the Channel Islands Lottery.

Following a very positive meeting, both Committees are confident that the Channel Islands Lottery has a future and can continue to play a valuable role in providing financial assistance to charities, sports and leisure facilities and good causes in the islands. Indeed in 1999 approximately £500,000 was donated to such causes.

Both Committees will continue to work closely with the existing agents for the mutual benefit of all concerned and are pleased to announce that negotiations are well advanced to guarantee the Channel Islands Lottery draws for the remainder of 2000. Indeed, the committees are sufficiently confident that they have decided to increase the number of tickets in both Islands to cover the summer period. It has also been agreed that both Committees will meet again within the next three months in order to -

- (a) discuss with the existing agents in both Jersey and Guernsey their short, medium, and long term plans and commitments to the Channel Islands Lottery;
- (b) continue to monitor ticket sales and prize money structures in both Jersey and Guernsey;
- (c) review the existing Law and Regulations under which the Channel Islands Lottery operates in Jersey and Guernsey;
- (d) seek further background information about the operation of the National Lottery.

This latter matter has been progressed and I can advise members that there would, of course, be a number of practical hurdles to overcome. Primary among these would be the establishment of some

revenue-sharing arrangement which would enable the Channel Island authorities to retain some of the proceeds of ticket sales in their jurisdictions. (Members may be aware that the prior existence of such an arrangement with the Isle of Man facilitated the extension of the National Lottery to that jurisdiction.) Since it appears unlikely that the Channel Islands would be able to benefit from the 'Good Causes' money, some revenue-sharing arrangement would appear to be necessary for extension to be financially beneficial to the Channel Islands.

Establishing such an arrangement would require the endorsement and approval of all concerned and will be difficult, but not impossible, to co-ordinate. The National Lottery Commission has issued an invitation to apply for the next National Lottery licence to follow the expiry of Camelot's current licence in September 2001 and has notified potential bidders of the possibility of the Channel Islands being included in the arrangements under the new licence. I must stress that this would be without prejudice to subsequent discussions on the issue and without commitment by either the United Kingdom or Jersey to the Bailiwick's actual participation in the National Lottery.

It is against this background that the Jersey Gambling Control Committee seeks to find a positive way forward, and to this end the Committee will be working with those who have a knowledge and experience of the C.I. Lottery in order that the best solution can be found. Therefore it is with some regret that internal correspondence, some of which has been subsequently withdrawn, has been widely publicised and individuals, without the right of reply. I and the Committee very much regret this situation and will endeavour to ensure that matters are progressed and resolved in an appropriate manner.

#### **Annual Lottery Ticket sales in millions**

1990	5.271
1991	5.344
1992	5.339
1993	5.965
1994	5.536
1995	5.491
1996	5.117
1997	4.587
1998	4.986
1999	3.090.

#### **Anti-inflation policy - statement**

Senator Frank Harrison Walker, President of the Finance and Economics Committee, made a statement in the following terms -

“This statement is about one of the biggest threats facing the Island today - inflation. It is a problem that has been building up for some time, masked perhaps by the buoyancy of our economy. It is a problem largely born of success, but no less a problem for that.

Inflation is also a problem with a whole range of causes. For us, these must lie around the fact that our economy is running at full capacity, with a large public sector and inhibitions on increasing the labour supply, public spending increasing at a rate probably beyond the Island's capacity to absorb, and relatively uncompetitive labour and product markets which make price increases too easy. With so many causes, there are no simple solutions and, despite what some people say, no quick fixes. One-off actions to reduce inflation as measured by the RPI will themselves have no impact on the root causes. The RPI would simply go up again a year later when the one-off changes fell out of the index.

The States have a crucial role to play in the bearing down on inflation. But it is an Island-wide problem and it needs Island-wide solutions, including action to improve competition and tackle monopolies and cartels. Let there be absolutely no mistake about this.

The RPI for the fourth quarter of 1999 showed our inflation increasing last year to an annual rate of 4.4 per cent. This was more than double the United Kingdom rate. This confirmed a trend of which we had been conscious for some time and, indeed, I alluded to it in my budget speech last November. But we

realised that, in order to develop appropriate policy responses and avoid knee-jerk reactions based on imperfect or anecdotal information, we needed a rigorous understanding of what was causing the trend. So, working with the Presidents of the Policy and Resources and the Industries Committees, my Committee commissioned an urgent report from a leading United Kingdom economist, Mr. Michael Parr. The Finance and Economics Committee had a first presentation by Mr. Parr on 10th March 2000. He has since prepared a report and we are publishing it today. It is a telling and thought-provoking piece of work.

It is now important that we have a wide-ranging public debate in coming weeks about the causes of, and cures for, our inflation problem, and I am confident that Mr. Parr's excellent report will be a catalyst for that debate. I have asked him to come to Jersey next week and we shall be laying on briefings led by him for States Members and others so that there is the fullest possible understanding of the arguments. In particular, we need to be able to grasp the difficult policy responses needed to tackle inflation, and the even more difficult consequences - for the whole Island - of doing nothing about it.

Mr. Parr shows in his report how our trend rate of inflation has broadly tracked that of the United Kingdom over the past 30 years, but generally at a slightly higher level. The cumulative effect of that, though, is that taking 1968 as a base, our prices are now relatively 20 per cent higher. And this differential has emerged despite United Kingdom prices having increased in that period because of the introduction of VAT. Even more worrying, the gap has widened in the last three years or so, and still seems to be widening. Tackling this differential with the United Kingdom is absolutely critical for Jersey's economy because the United Kingdom is the source and destination of most of our trade and visitor flows.

Mr. Parr emphasises that inflation is bad. Plenty of members of this Assembly with memories of the 1970s will need no reminding of that. Inflation hits the most vulnerable the hardest - those on fixed incomes, especially pensioners. Moreover, the interest earned by savers in Jersey will be at a rate which reflects a United Kingdom inflation rate half our own. Inflation distorts markets, with all sorts of consequences, many unforeseen and quite often perverse. It creates winners and losers, notably in the housing market. Above all, it destroys competitiveness if it is different from inflation in countries with which we trade and there is no compensatory exchange rate adjustment available. Mr. Parr observes and I would agree with him - that inflation in Jersey is probably one of the main reasons why our tourism and agriculture industries have found the going in the United Kingdom market so hard.

Above all, he emphasises that if the current differential with the United Kingdom is not tackled by action on our part, it will not be a question of whether we damage and kill off the economy, but when.

Turning to the policy responses we need, these must obviously include a careful reappraisal of the impact of the complex regulatory regime we have imposed on the business sector, not least in an attempt to inhibit further development. It seems evident, in particular, that a deliberately tight labour market may well have created a variety of distortions and imposed pressures which have impacted measurably upon prices. In other words, population controls have contributed to inflation. Firm policy development towards increasing genuine competitive pressures in our economy is also sorely needed. I am glad to know that the Industries Committee is now addressing these complex issues. The Policy and Resources Committee is also addressing the important need to improve the range of economic data that we collect, so that we know better exactly where we are and where we need to be going.

As far as the States budget is concerned, my message needs to be fairly blunt. We are spending too much, whether we call it revenue or capital or anything else, for the Island to be able to absorb, and we have probably allowed States spending to become too high a proportion of our GDP. The buoyancy of our economy, and the finance sector in particular, has given us a structural surplus and we have been spending it because it has been in the bank and all too easy to get at. We have not set our spending in relation to whether we have been able to afford it economically.

This cannot go on. My Committee will therefore be re-examining our whole expenditure stance in coming months. The Resource Plan and Budget that will come forward to this Assembly for approval later this year must both be explicitly aimed at bearing down on inflation as heavily as we can. We shall need to look carefully and critically at whether, in economic terms, we can truly afford all the capital spending plans in the pipeline and be honest with ourselves if we cannot. On the revenue side, it will be essential to intensify action to modernise the public service in order, through every means possible, to

improve efficiency and value for money, and to focus on those activities and services which really are core to the purposes of the States and which clearly cannot be done, if they have to be done at all, other than by the public sector. A key part of this task must be to give our managers more room to manage to demanding targets, with politicians focusing on strategy and outcomes and not, as is all too often the case, on detailed inputs. We must aim at stabilising, and then reducing, the share of GDP taken by public expenditure of all kinds.

At the heart of anti-inflation budget strategy must be an inflation target at which to aim. This is how the United Kingdom and Eurozone economies are now managed. We cannot be different. The Finance and Economics Committee has already considered this in principle and, after further analysis, it will be inviting this Assembly to agree such a target as the lynchpin of our policy. Mr. Parr's advice, which I accept, is that because Jersey is in monetary union with the United Kingdom, our only realistic stance is to adopt the United Kingdom target, currently 2.5 per cent. The further analysis that we will be doing will be to see if we need to shade this a little to take particular account of the weighting of services in our economy but we would defeat the object of the policy if we sought a much different target.

Going down this path implies aiming at a rate of inflation just over half our present rate. Achieving this will require a collective effort, both by this Assembly, among all the Committees, and Island-wide. This will require difficult and concerted action on a range of fronts. For example, the need to tackle inflation may need to be given, at least temporarily, a higher priority than States health and environment policies, when it comes to indirect taxation. It will also need partnership between public and private sectors, and true 'joined-up' working between all the different parts of the public sector united by a common aim. My Committee has already formed a small task force within the administration, involving my fellow Presidents of Policy and Resources and Industries along with myself and a few senior officials. On a wider front, I shall be calling together shortly a small group of key players from the business sector, including the trade unions, to consider the issues in the round, and I shall look forward to discussions about tackling inflation with the new Jersey Economic Forum about to be set up by the Industries Committee.

I am not going to pretend that any of the policy responses we shall have to adopt will be easy, but we need wide public debate to help everyone understand that pain not borne now will be double pain later on. So, in our determination to beat inflation, my Committee, together with Policy and Resources, Industries, and others, will be looking for support from every quarter. I am confident that we will get it."

### **Design guide for the St. Helier Waterfront - statement**

Senator Pierre François Horsfall, President of the Policy and Resources Committee, made a statement in the following terms -

"I would like to remind members that the Waterfront Enterprise Board is a limited company, wholly owned by the States and governed by its Articles of Association, as agreed by the States in December 1995.

The objectives for which the company was established, as contained in P.156/95, are 'To promote, co-ordinate and implement a comprehensive strategy for the development of the St. Helier Waterfront'.

Since that time there has been a good working relationship between WEB Limited and the Planning and Environment Committee and a number of major projects have been completed to the highest quality. These include Maritime House, the marina park and car park and Les Jardins de la Mer plus associated roads and infrastructure.

The Planning and Environment Committee administers the Island Planning (Jersey) Law 1964, as amended, and consequently is the statutory authority on planning matters.

The Planning and Environment Committee has decided that, before work proceeds with the remaining areas of the Waterfront, they will produce a design code that will provide guidance to prospective developers, while recognising that developers will still be able to negotiate any aspect of their designs with the Planning Department in the normal way.

The production of the design code will be carried out in close collaboration with the Waterfront Enterprise Board who have a major contribution to make, based on their work already accomplished, including the provision of infrastructure, their commercial and technical expertise, together with the work on the three dimensional computer model due for completion in July.

The work on production of the code will involve public consultation. The Policy and Resources Committee lends its support but wishes to emphasise that a satisfactory outcome will only come about if the principal parties respect each others responsibilities. I am sure that States' members will share this view."

### **Commission Amicale: membership**

THE STATES commenced consideration of a proposition of the Policy and Resources Committee concerning the membership of the Jersey delegation to the Commission Amicale.

After discussion, and on the proposition of the Deputy of St. John, the proposition was lodged "au Greffe".

### **Rent Control Tribunal: appointment of members**

THE STATES, adopting a proposition of the Housing Committee, in pursuance of paragraph (1) of Article 3 of the Dwelling Houses (Rent Control) (Jersey) Law 1946, as amended, appointed the following persons to act as chairman and members of the Rent Control Tribunal for a period of 12 months ending on 12th April 2001, namely -

Mr. Terence Lavery - Chairman  
Mrs. Jill Meredith Clapham  
Mr. Ronald Peter Welling  
Mr. Christopher John Sheehan.

### **Robin Ward, General Hospital, St. Helier: approval of drawings**

THE STATES, adopting a proposition of the Health and Social Services Committee -

- (a) approved drawings Nos. 1999/10/12H, 2E, and 06/A3c showing the alterations to Robin Ward, General Hospital, St. Helier;
- (b) authorised the Greffier of the States to sign the said drawings on behalf of the States.

### **Draft Matrimonial Causes (Amendment No. 10) (Jersey) Law 200 - P.28/2000**

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Matrimonial Causes (Amendment No.10) (Jersey) Law 2000.

### **Draft Community Provisions (Repeal) (Ban on Supply to Indonesia of Equipment for Internal Repression or Terrorism) (Jersey) Regulations 200 - P.29/2000**

THE STATES, in pursuance of Article 2 of the European Communities Legislation (Implementation) (Jersey) Law 1996, as amended, made Regulations entitled the Community Provisions (Repeal) (Ban on Supply to Indonesia of Equipment for Internal Repression or Terrorism) (Jersey) Regulations 2000.

Members present voted as follows on the preamble -

**"Pour" (32)**

### **Senators**

Horsfall, Le Maistre, Quérée, Norman, Walker, Le Sueur.

## Connétables

St. Mary, St. John, Trinity, St. Clement.

## Deputies

H. Baudains(C), St. Mary, Duhamel(S), Routier(H), Layzell(B), Grouville, St. Martin, Le Main(H), Crowcroft(H), Vibert(B), Dubras(L), St. Ouen, G. Baudains(C), Dorey(H), Troy(B), Voisin(L), Scott Warren(S) Farnham(S), Le Hérissier(S), Ozouf(H), Fox(H), Bridge(H).

“Contre” (7)

## Senators

Stein, Bailhache, Kinnard, Le Claire.

## Connétables

St. Helier.

## Deputies

Huet(H), St. John.

### **Jersey Financial Services Commission: appointment of Commissioner - P.29/2000. Consideration in camera.**

The Deputy Bailiff, in pursuance of paragraph (1A) of Article 3 of the Financial Services Commission (Jersey) Law 1998, as amended, and in accordance with Standing Order 46(2) ordered the withdrawal of strangers and the closing of the doors of the Chamber in order that the appointment of a Commissioner of the Jersey Financial Services Commission be considered in camera.

THE STATES, having deliberated thereon in camera, proceeded to vote in public assembly and, adopting a proposition of the Finance and Economics Committee, and in pursuance of Article 3 of the Financial Services Commission (Jersey) Law 1998, as amended, appointed Mr. Francis Charles Hamon, OBE, as a Commissioner of the Jersey Financial Services Commission with effect from 5th April 2000 until 30th November 2002.

### **Draft Fishing Vessels (Safety Provisions) (Jersey) Regulations 200 - P.30/2000**

THE STATES, by virtue and in exercise of the powers conferred upon them by the Order in Council of the fourteenth day of April 1884 made Regulations entitled the Fishing Vessels (Safety Provisions) (Jersey) Regulations 2000.

### **Le Coie Hotel and Simla, Janvrin Road, St. Helier: transfer of administration - P.31/2000**

THE STATES, adopting a proposition of the Planning and Environment Committee -

- (a) approved the transfer of administration from the Planning and Environment Committee to the Housing Committee of the properties known as Le Coie Hotel, Glenrose, No. 1 Garlyckhythe Niebla and Simla, situated in Janvrin Road in the parishes of St. Helier and St. Saviour as shown on drawing No. 593/2A;
- (b) authorised the Greffier of the States to sign the said drawing on behalf of the States.

### **Draft Health Insurance (Medical Benefit) (Amendment No. 51) (Jersey) Regulations 2000 - P.32/2000**

THE STATES, in pursuance of Articles 18 and 46 of the Health Insurance (Jersey) Law 1967, as amended made Regulations entitled the Health Insurance (Medical Benefit) (Amendment No. 51) (Jersey) Regulations

2000.

**Waterfront Enterprise Board Limited: appointment of States Directors - P.34/2000 (2nd re-issue)**

THE STATES commenced consideration of a proposition of the Policy and Resources Committee concerning the appointment of the States Directors of the Waterfront Enterprise Board Limited.

The President of the Policy and Resources Committee nominated for appointment the following members -

Connétable Robert Lester Le Brocq of St. Helier  
Deputy Derek Ryder Maltwood of St. Mary  
Deputy Paul Francis Routier of St. Helier

Deputy Alan Simon Crowcroft of St. Helier was nominated by Senator Wendy Kinnard.

Deputy Imogen Stephanie Nicholls of Grouville was nominated by Senator Christopher Gerard Pellow Lakeman.

Senator Corrie Stein was nominated by Deputy Lyndon John Farnham of St. Saviour.

THE STATES, having proceeded to a secret ballot, the Deputy Bailiff declared the following result -

Connétable Robert Lester Le Brocq of St. Helier	30 votes
Deputy Derek Ryder Maltwood of St. Mary	33 votes
Deputy Paul Francis Routier of St. Helier	34 votes
Deputy Alan Simon Crowcroft of St. Helier	21 votes
Deputy Imogen Stephanie Nicholls of Grouville	13 votes
Senator Corrie Stein	10 votes

THE STATES, thereupon adopted the proposition of the Policy and Resources Committee and -

- (a) appointed the following persons as States Directors of the Waterfront Enterprise Board Limited for a period of three years expiring on 31st March 2003 -

Connétable Robert Lester Le Brocq, of St. Helier  
Deputy Derek Ryder Maltwood of St. Mary  
Deputy Paul Francis Routier of St. Helier;

- (b) instructed the Greffier of the States to notify the company of the States decision.

**Jersey New Waterworks Company Limited: appointment of directors - P.35/2000**

THE STATES, adopting a proposition of the Finance and Economics Committee, referred to their Acts dated 24th August 1982 and 22nd February 1983, and approved the appointment of the undermentioned members as directors of the Jersey New Waterworks Company Limited, for a period of three years with effect from 1st April 2000, in accordance with Article 7(4) of the Articles of Association of the Company -

Senator Leonard Norman  
Mr. John Baudains Germain, Connétable of St. Martin  
Mr. Carlyle John Le Herissier Hinault, Connétable of St. John, as a member of the Finance and Economics Committee  
Deputy Jennifer-Anne Bridge of St. Helier.

**Ecology Fund: appointment of chairman of trustees - P.37/2000**

THE STATES, adopting a proposition of the Planning and Environment Committee, referred to their Act dated 26th March 1991, in which they approved the establishment of an Ecology Fund, and their Act dated 25th

April 1995 agreeing that the chairman of the trustees should be a member of the States, appointed by the States on the recommendation of the Planning and Environment Committee, and appointed Deputy Jennifer-Anne Bridge of St. Helier as chairman of the trustees of the Fund.

**States Auditors: extension of contract - P.33/2000. Consideration in camera**

The Deputy Bailiff, in pursuance of paragraph (5) of Article 11 of the Public Finances (Administration) (Jersey) Law 1967, as amended, and in accordance with Standing Order 46(2) ordered the withdrawal of strangers and the closing of the doors of the Chamber in order that the appointment of the States Auditors be considered in camera.

THE STATES, having deliberated thereon in camera, proceeded to vote in public assembly, and adopting a proposition of the Finance and Economics Committee approved the extension of Pricewaterhouse-Coopers' contract as States Auditor for one year to cover the audit of the 2000 States of Jersey accounts.

**Police Authority: appointment of member - P.36/2000**

The Deputy Bailiff, in pursuance of the Act of the States dated 19th May 1998 ordered the withdrawal of strangers and the closing of the doors of the Chamber in order that the appointment of a member of the Police Authority be considered in camera.

THE STATES, having deliberated thereon in camera, proceeded to vote in public assembly, and adopting a proposition of the Home Affairs Committee, referred to their Act dated 28th July 1998 in which they appointed the Chairman and members of the Police Authority for a period of four years from 1st September 1998, and appointed Mrs. Hilary Lambert in place of Mr. John Le Gallais for the period ending 31st August 2002.

THE STATES rose at 1.08 p.m.

**G.H.C. COPPOCK**

*Greffier of the States.*