

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 23rd SEPTEMBER 2008

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

PUBLIC BUSINESS – resumption

The Greffier of the States (in the Chair):

Just before the debate resumes on the Business Plan, Members will be aware that one of the major remaining items of business is the Energy from Waste public inquiry debate. I understand that certain legal advice has been received about that proposition. It may be helpful for the Solicitor General to address the Assembly before we proceed. Do you wish to say any introductory remarks, Connétable?

Connétable A.S. Crowcroft of St. Helier:

I will wait until after the Solicitor General, Sir.

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

I have been asked to give some advice on the legal aspects of the Planning Law as it relates to the proposition P.136. Public inquiries are dealt with under Article 12 of the Planning and Building (Jersey) Law 2002. Article 12 insofar as it is material provides that this Article applies in respect of an application for planning permission where the Minister is satisfied that if the proposed development were to be carried out (a) the development would be likely to have a significant effect on the interests of the whole or a substantial part of the population of Jersey; or (b) the development would be a departure other than an insubstantial one from the Island Plan. The Article goes on to say: "Where this Article applies, the Minister shall not determine the application until a public inquiry has been held." Article 19(4) of the same law says that the Minister may grant planning permission in detail or in outline only and, therefore, outline permission is within the definition overall of a planning permission. The Minister can reserve specified matters to be approved by him subsequently if he grants an outline planning permission. There is also reference to reserve matters in another Article of the law. That means that they are held over for the Minister's approval. Given that in this particular instance the Minister has granted an outline planning permission and reserved matters for his subsequent approval, in my opinion Article 12 no longer has any application and it would not be possible for a public inquiry under Article 12 to take place. I do not think I can assist any further at this stage.

The Connétable of St. Helier:

Clearly, it would have been helpful if this matter had arisen earlier, not just for me in preparing for today's debate but for other Members. I must raise the question with the House that when I first tabled this proposition calling for a public inquiry, outline planning permission had not been granted. The Minister took the decision to grant planning permission for various reasons which he felt justified that at the time. It does seem to me that as a Back-Bencher I have now effectively been prevented from bringing a matter to the House. The goalposts appear to have been moved as far as I can see, so clearly I am not really very satisfied with the outcome. I do not wish to take the Assembly through a long debate only for the Minister to be rendered incapable of carrying out the House's instructions were the House to approve the proposition. I wonder whether the Minister for Planning and Environment would have any comments on this, if it is possible to hear his view.

Senator F.E. Cohen:

Sir, I do not really have any further comments. The Solicitor General has made clear the legal position which we have all only just found out about. On reflection, if there was to be a public inquiry clearly my decision some time ago when I considered the application in principle may have been different, but the fact is that I made a decision based on advice that a public inquiry was not required at that stage. The decision has been made. We have now got the legal advice and there is really nothing much I can do about it and I do not really have anything else to add. Thank you.

The Greffier of the States (in the Chair):

Just before I call the other Members to speak, I think I should clarify, Constable, if you are withdrawing the proposition there is not much point in pursuing a lengthy debate and views from other Members.

The Connétable of St. Helier:

I have not yet, Sir.

The Greffier of the States (in the Chair):

Briefly, Deputy Duhamel.

Deputy R.C. Duhamel of St. Saviour:

Yes, Sir. Within the outline planning permission that the Minister for Planning and Environment has given, it does refer to a number of reserved matters which before final permissions can be given have to be addressed or the opportunity has to be given to the public and to any other Members of this House for consultation and input. I am wondering - whether or not, if indeed this proposition does not go ahead - when the Minister is thinking of making his final decision and when the opportunity will be afforded to those public members and, indeed, ourselves to make representations on any of the reserved matters which were quite clearly not considered when the Minister gave his outline permission which was mainly to do with the Hopkins designed building.

Deputy P.N. Troy of St. Brelade:

Sir, do the Planning staff who advised the Minister at the time not know what the law is under the Island Plan and should they not have advised the Minister in regard to his decision? It seems to me that this could almost be seen as a deliberate manoeuvre to get through the incinerator without a public inquiry, which in the interests of the Island, of course, the law states should have been held. I certainly think that the Constable should investigate what documents were presented to the Minister, that should all be made available, and even perhaps Scrutiny should consider whether they would like to report as to whether procedures should be tightened and so on. I think it is despicable that we have a massive incinerator in a prime area of St. Helier and a public inquiry has not been held in accordance with the law, Sir.

Deputy R.C. Duhamel:

Sir, another point ...

The Greffier of the States (in the Chair):

You have already spoken, Deputy.

Deputy R.C. Duhamel:

I have, Sir. Another point, just to advise the House that when the Environment Scrutiny Panel considered the application it was the intention of that panel to bring forward a review, but we were given advice that because the permissions had been given in outline only that it was not the correct time to do so and that is why that particular line of attack was not pursued at the time. It does strike me as somewhat unfortunate that if that is not the case, as other Members have suggested, we have not been afforded the opportunity of carrying out our duties in a proper manner.

The Greffier of the States (in the Chair):

Well, the Assembly at the moment is with: will the proposition go ahead today or not? Connétable?

The Connétable of St. Helier:

Sir, I would like to thank you, first of all, and the Assembly for permitting this little mini debate to happen this morning. I am sure Members will think that is time well spent. I have also taken careful note of the contributions of Members, particularly of the Planning Minister, and I can advise

the House that I met with my Procureurs du Bien Publique this morning and I have had permission from them to investigate the possibility of a judicial review of the Planning Minister's decision. Having said that, I will now withdraw the proposition.

The Greffier of the States (in the Chair):

Very well, that is your prerogative. The matter is withdrawn.

1. Annual Business Plan 2009 (P.113/2008) - paragraph (h)

The Greffier of the States (in the Chair):

Very well, the Assembly now reverts to the Business Plan debate. We come finally to paragraph (h) of the Business Plan and I ask the Greffier to read that paragraph.

The Deputy Greffier of the States:

To approve the legislation programme for 2009 as set out in Part 3 of the report Summary Table H, pages 102 to 104 of the report.

1.1 Senator F.H. Walker (The Chief Minister):

Sir, approving the legislation programme for 2009 is the final element of this year's Business Plan proposition. The summary of the proposed programme for 2009 is set out at pages 102 to 104 of the draft plan, and a detailed version of the proposed programme, together with reports on drafting work in progress, programme items for which instructions have not yet been delivered and an outline of the emerging legislation programme for 2010 and 2011 is set out in the annex on pages 150 to 173. Planning ahead for the financial and manpower impact of legislation is critical and setting the legislation programme for the year ahead obviously greatly assists in that planning process. As part of the process, departments requesting drafting time were asked to indicate the financial and manpower impact of their proposed legislation and explain how that impact would be accommodated both within the overall financial framework and within their own departmental budget. Departments were also asked to explain how their proposed legislation would contribute to the implementation of the States approved Strategic Plan. As in previous years, the drafting time bid for in 2009 exceeded the drafting resources available. The information about financial and manpower impact and delivery of the Strategic Plan was, therefore, used to rank the bids. Bids were also assessed as to whether the legislation had to be prepared in 2009 or could be deferred. Using that information, the bids were prioritised. In fact, through co-operation across all departments it was possible to accommodate within the proposed 2009 programme all of the bids that were ranked as essential and on which departments are ready to start work in 2009. Sir, I move the proposition.

The Greffier of the States (in the Chair):

Is paragraph (h) seconded? **[Seconded]** Does any Member wish to speak on paragraph (h)? Deputy Breckon.

1.1.1 Deputy A. Breckon of St. Saviour:

Sir, I heard what the Chief Minister said about the process. The difficulty I have with this is that individual Members are shut out, in effect, of the process. I say that for a number of reasons. There are 2 areas that I have done some work on over the years. One is Financial Services Ombudsman and the other one is the Regulation of Estate Agents. I did see under a confidential cover both were included and the first I knew that they were not was when I saw the actual Business Plan. They had been taken out, not fitting some criteria or other. The difficulty for an individual Member is if you want to put it in you have to take something out, and then I know from experience, having done this, the world will stop turning when something has to come out for 20 days or 30 days. Having said that, in this situation last year, the Economic Development Minister said that the Licensing Law review must be in for law drafting, and if Members have a look you will see that it is not there and not yet gone to consultation. This is not the first time that some

former Committee President or Minister has stood up and said something must stay in, it must be done. The other thing I notice in the annex it says, quite cleverly I think, when instructions were first received; but there are matters that have been in the system for a long, long time and have not been progressed. I know we used to have a law drafting decision conference, but it was open to everybody. I am really concerned that some Members get shut out of this process and it goes on. I know what the Chief Minister said; there have been bids, some things against others, but people have been excluded from that process who might have something to add to the argument. I am not convinced that the Ministers have got all the answers because when I submitted a suitcase full of papers to officers at Economic Development for them to go through, they said: "The final decision rests with the Minister." So where the waiting comes in I am not quite sure, if somebody can put something in for a particular preference or other. The other thing where I think there is a disconnect is that in 2002 the Financial Services Commission put together a working group from people in the finance industry - across all sectors of the finance industry - who made recommendations to the Finance and Economics Committee about an ombudsman and, in effect, that process has been sidelined. Now, if that had been part of that working group - and some people who were are still around - then there is a disconnect there. Why bother? Why get involved? Nobody takes any notice. The other thing is I was fortunate enough with the Consumer Council to have a lawyer in private practice as a member, Philip Syvret, who did a great deal of work *pro bono* on this to work it up and present it to the department. In effect, that work - and do not forget we are talking about that over a billion pounds worth of property changes hands every year - has been ignored. That is against a background where in the U.K. (United Kingdom) the ombudsman system is compulsory for estate agents: compulsory for estate agents. That is where we are. That is the real world, and I am concerned that this process shuts individual Members out and it shuts things out that serve the population, because I am not sure all of this does and I am not sure this system does.

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

Three points: one builds upon Deputy Breckon's point. I do not see any provision for a whistleblower in this list. I would have thought, Sir, with the intense interest in these sorts of issues - although, as the Deputy has said, it is possible to reduce the interest by a battle of attrition - I would have thought that that would have come forward. I know it is being developed in the Chief Minister's Office and it is another one of these things that I think for our international and national reputation should have been here. Secondly, I notice there are a couple of things that rely on E.U. (European Union) legislation and they talk as if in terms: "We are going to apply that E.U. legislation" virtually, yet there is an enormous ... well, relatively speaking, there are an enormous number of days; for example, community provisions re trade in bovine semen: 15 days; Fishery Regulations: 25 days. Those seem enormous amounts of time. The third point is, Sir, if you look at the list I suppose not unsurprisingly it is very heavily finance oriented, except finance ombudsman oriented, and I notice at the very end there creeps in the H.&S.S. (Health and Social Services) Regulation of Care. There is very little social legislation and whether that is because things are honky dory in that area, but does that mean because Regulation of Care is at the bottom of the list it will be done last? Again, that is something that has been on the backburner for a long, long time. It is a common sense case about the regulation of nursing homes and the regulation of the public sector side of nursing homes. It is a common sense case that was conceded years ago. Is it at the bottom of the list or is it going to be done within, say, the middle of the year?

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

Just a couple of questions for the Chief Minister. On the immigration legislation we have again 20 days. If memory serves me right, that was in in 2007 for 2008. I would like some progress on that. I do not think anything has been done. If it has, I would like him to tell me. Bid 29, Telecommunications Law, amendments to the J.C.R.A. (Jersey Competition Regulatory Authority), under revenue impact and full-time employee impact: questions not answered. Well, being on the

sub-panel when Telecoms were going to be sold off, we know we need to strengthen legislation but to back that legislation up we also know there will be quite a significant cost. Could the Minister please let me know. There are a few others. Again, it is trusts, like how do you measure a tax strategist and what the cost benefit will be, and somebody working in the Chief Minister's Office, like under 32, 33, 34, 35 and 36, no measurable cost. Does that mean it will not be a cost or the monies coming in will outweigh it? I have a serious question on 40, the Trade Marks Law, again on cost. It says 30 days. We interviewed somebody very knowledgeable in trade marks because we were considering doing this as a review and we would have needed somebody. It is very, very technical, international, and costs lots of money, but I did start off in a very well-known patent office in Lincoln's Inn Fields and I can tell you if you get any of these wrong you can be sued for millions of pounds. To say that we are anywhere ... Guernsey runs a deposit registry with 2 staff at present, was told to us by the expert is an absolute fudge way to do it. I was also told we are not doing it this way, but we have put this in here to say we can do it like that. We cannot and I would like to know the cost. As I say, other than that I think they are perfectly valid questions. Thank you.

1.1.4 Deputy A.D. Lewis of St. John:

I believe in other jurisdictions when it comes to law drafting of this kind the legislative programme is often done on a rolling 3-month process so that it is reviewed on a very regular basis. We seem to have a method here whereby everything gets chucked into one year and we hope to get it out the other end of the sausage machine. I would like to know from the Chief Minister what plans there are to review that process and is it reviewed on a regular basis anyway? Because we all know of the logjams that occur. I guess it is probably sometimes quite difficult to predict exactly how many days a law takes to draft. It can sometimes be a moveable feast, so I guess capacity does occur towards the end of the year. Should we be reviewing this programme on a more regular basis? I would suggest that if you look at other jurisdictions, it appears to be often on a 3-month rolling cycle. Another Member, Sir, asked a question about the Licensing Law and I think it is a very relevant time to ask it. The Green Paper which has been produced on this issue is about to be circulated; I see the Economic Development Minister nodding there. We have done a lot of work on this so far and a lot of input from a lot of people and it is a big piece of reading for Members to have a look at. I am disappointed to see that it is not on the legislation programme for 2009. My understanding from the consultation process was that it would be. If it is not, and this is what will happen with this type of process, Members will come forward with minor amendments to big laws, which makes it even more messy, Sir. So I think again this comes back to reviewing the process on a regular basis because if Licensing is not included in the 2009 programme then I can rest assure Members that certainly from a Home Affairs perspective I hope that my successor will be bringing forward amendments to protect public safety and the health of the Island. We cannot wait much longer for this, so I do hope that there is an answer to that. Sir, I would also like to know from the Chief Minister what, if any, extra resources are likely to be put into law drafting because it seems an area that is consistently stretched. I know it is slightly separate to the Attorney General's Department, which got extra funding yesterday, but clearly if you have not got a good, managed law drafting section, all the work we do in here, Sir, almost seems in vain by the time we get to drafting the laws and amending laws and getting them through. We need to have a programme that is sustainable and is properly resourced. I see the Chief Minister pulling a face there. I understand that, of course, by the time it gets to this Chamber it is drafted, it is in draft form, but there is often then work that needs to be done after that if it does not go through. So is it currently adequately resourced to fulfil the needs of a legislative body of which we are - we are a legislative body, that is our primary function - and if it is not supported with a well-resourced Law Drafting Department then I worry. So I do hope that the Chief Minister is going to tell me that it is well resourced and it is capable of producing the laws that we require to put through this Assembly. Thank you.

1.1.5 Deputy C.J. Scott Warren of St. Saviour:

I appreciate a lot of this legislation is linked to the forthcoming I.M.F. (International Monetary Fund) visit. I just wanted to ask about the Charities Law, why there is a need for a separate Charities Law or whether it will or could have linked-in with the proposed Charities Commission?

1.1.6 Senator P.F.C. Ozouf:

I am grateful for both the Council of Ministers' and the Assembly's support for Economic Development, a huge amount of legislation that has been already approved and is approved in this plan. There has been, it must be said, somewhat of a backlog in commercial legislation in the past. The new team at the Chief Minister's Department and Economic Development have done a great deal over the last 12 months to catch up. Members will know that we have had the Foundations Law now lodged, we are shortly to complete the work on the vitally important Security Interests Law - Company Law. There has been a lot done, but there is a lot more to do. Deputy Martin raised the very important question of trade marks. Trade marks is one of a number of pieces of legislation which are going to be coming before the Assembly. I think that the table does not show the law drafting that has already been approved and is currently underway. The trade mark legislation is at the end of all of the other intellectual property rights - the design right, trade mark, copyright. That legislation is going to be coming to the Assembly almost as a suite of legislation, and she is absolutely right to raise concerns about the approaches in relation to trade marks and particularly the cost associated with that. We have put an industry group ... if it gives her some comfort, we have put a local industry group to understand and inform us about how best that we can make the legislation work. We do not want to put legislation to the Assembly that is not of economic benefit to the Island, quite apart from the international legislation. We have secured the services through the Law Officers' Department of a top Q.C. (Queen's Counsel) in relation to intellectual property, including trade marks, to get advice. We have expertise from the London School of Economics together with some big industry players to ensure that our intellectual property including trade marks leaps ahead of the rest of the jurisdictions and put something which is truly world class onto our statute book. There is an increasing view among people that intellectual property could be and can be a finance industry for the future of Jersey. Scrutiny is going to be very important in this whole suite of legislation and the new Economic Affairs Scrutiny Panel, I would hope that they are going to spend a great deal of time testing and reviewing that and scrutinising that legislation. But the Deputy is quite right about the concerns to get it right because it is multi-million pounds. She also raised the very important issue of telecoms. I can say to her that there are already changes now being drafted that will be before the Assembly very shortly in relation to telecoms. We want to do away with the simple sanction of taking away the licence, fortifying the ... and Deputy Southern is nodding at me. I think he is saying that that was one of his Scrutiny Panel's conclusions. We agree on that. Certainly, we are going to be fortifying the powers of the J.C.R.A. to ensure that telecoms regulation works well. Number portability is now going to happen on 1st December, but there is more to do on telecoms regulation. I can also say to the Assembly that that will be assisted by the review that is currently being carried out on the full suite of legislation within the J.C.R.A. and a review which Members would expect me to do of the J.C.R.A. in terms of its competition, O.F.T. (Office of Fair Trading) and the rest. There are discussions with Guernsey. There is a great deal of work which is being done to improve the effectiveness of the J.C.R.A. yet further to deliver economic benefits. I think that covered all of the questions that ... oh, very importantly, finally, the question about ombudsmen, which I know that is very important for Deputy Breckon. Another Deputy raised the issue of the huge burden of legislation and activity which we have had in relation to the I.M.F. legislation. I can say that an official within E.D. (Economic Development) is working on the issue of ombudsmen. We are extending the issue of ombudsmen not only simply to just deal with dispute resolution but to look at the whole issue of the local financial services market. We now have Oxera (Oxford Economic Research Associates) looking at the local mortgage market. I am going to be saying something later today about reviewing the depositor scheme. There is a great deal of work done. I have to say it should perhaps have started before but the pressures that we have had have meant that it could

not. We are looking at the whole issue of the operation, effectiveness and regulation of the local financial services market of which an ombudsman is a key part. I support the concept of ombudsmen but the difficulty with all of these things is they cost a great deal of money. I will finally say that Economic Development does have a very large law drafting slot and it is effectively juggled around in terms of when priorities come and when legislation is ready to be drafted. If we can find a simple way to deal with financial services and that financial ombudsman, then I would encourage whoever the Council of Ministers are... use of the law drafting slot that is available would allow that to happen. But it is complex and this Assembly must consider the outcome of that review of ombudsmen before that happens. I missed out, finally, the Deputy of St. John in relation to the Licensing review. The Licensing review has got its law drafting already allocated this year as far as I remember. The actual consultation of that is now no longer simply an Economic Development streamlining of Licensing administrative arrangements. Upon the intervention of Home Affairs and Health, the Licensing review is taking a much wider dimension in terms of the issues of law and order in town and the health issues at the Health and Social Services Department. So the Deputy of St. Martin is concerned about the delay. He has a copy of the draft Green Paper because he is very interested in it. The working party have it. I am hopeful that that Green Paper will come out. It is late, but it is late because we have taken account of the other representation and it has taken on a much, much wider review. I think that is the right thing to have done. I hope I have not stolen any of the Chief Minister's thunder. It is Economic Development that seems to be the principal grabber of law drafting time, so I hope that those comments are helpful.

1.1.7 Deputy S. Power of St. Brelade:

Earlier this year I asked a question of the Minister for Health and Social Services with regard to human fertilisation and embryology. In the Chief Minister's summing-up of this section of the legislation programme I would refer him to page 157 of the annex and work in progress, which refers to work in progress being done by Crown Officers on the Human Fertilisation Law and subordinate legislation. It refers to awaiting fresh departmental instructions following recent enactment of legislation in the U.K. If this does refer to human fertilisation and embryology, and if it refers to what was presented to the House of Commons this past summer, I would like to know from the Chief Minister - and perhaps he may have to refer this to the Solicitor General for clarification - on the direction Jersey will be taking in this as I do have reservations about some of the provisions relating to embryology. Thank you.

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

I wish I had had the opportunity to speak before the Minister for Economic Development because this refers to his section with the changing sea route provision in the last few weeks. I know that he and his team are working on reviewing the Oxera work and the rest of the information regarding sea routes and the safeguarding of them for the future, but what I wanted to know was if there is a requirement through the J.C.R.A., et cetera, to review the law safeguarding the pricing of services on a route, would there be time within these ... sorry?

Senator P.F.C. Ozouf:

If the Deputy gives way, I will tell him straight away. The Deputy is absolutely right to point that out. As usual, there are urgent issues that come forward. We did not at the time of the law drafting bids know that we were going to have the difficulties with the competition on sea routes. What we will plan to do with that is to add on and tack-on effectively any licensing of sea routes from the overall competition allocation we have. There is quite a commonality. Bringing in sea routes regulations would require effectively potentially some cutting and pasting of some existing legislation that we already have on telecoms, and I am hopeful that in discussions with the Chief Minister's Department, when we have made those conclusions we will get that law drafting bid and no doubt the Chief Minister will say that there is a slot available for urgent matters. I hope that that would be the case.

1.1.9 Deputy S.C. Ferguson of St. Brelade:

Just a plea for simplicity. Are we really sure, Sir, that all this legislation is desperately necessary or cannot be done by existing law? I do worry about the onslaught of yet further laws making life even more complicated, and more complication is more expensive. Do departments - and I look for assurance from the Chief Minister - really investigate this aspect of their work or do they just think: "Let us have a new law"?

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

I would just like to respond to the Minister for Economic Development in respect of the Green Paper. I did ask the Minister some time at the beginning of August if the Green Paper was ready for circulation. I did eventually get hold of a copy towards the end of August which I noted that all the responses had to be in by the end of August. I would like to remind the Minister that when he made a statement earlier on - I think early on in the summer - I did ask to get a copy but I also thought it might be useful maybe to let other copies ... make Members aware the Green Paper was in circulation; therefore, others may well have an idea of what is going on. But can I just, in some words of favour for the Minister, say I am quite impressed with the Green Paper. I know the depth it is going into and I can quite understand why there are delays in the outcome because it will be very comprehensive indeed. That is how it ought to be because I think it has to be really a very much forward thinking Licensing law. Could I just ask Members that if they are interested in the Green Paper, maybe they could liaise with the Minister and that Green Paper could be made available to a wider circle because I think it is very useful to see. Thank you.

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

I just return to the theme started by Deputy Martin a while ago. I am very pleased to see that as a matter of some immediate response the review of the powers of the J.C.R.A. under the Telecoms Law is on the statute book. It was obvious from our report, from our investigation when we looked at it on the Scrutiny Panel, that the central issue had been missed by Treasury and Resources because their view is not that of Economic Development and that the key issue was regulation. If you wanted to get the market really working, then you had to give the J.C.R.A. some teeth. That became the issue. It was not a case of: "Well, sell it off and that will do the trick." That was a move which, while it would have brought in a chunk of money possibly - but probably not any more - would not have solved the basic problem about the market. That was about regulation. In a small market, as we know, competition pure and simple in its own right does not solve all the problems, as we have witnessed with the harbours and the link to France. That is not a question that competition there does not work on its own. It is a matter of regulation - tough regulation - service level agreements; that is the way to operate in many cases - in many cases - in small communities. Certainly, telecoms was an illustration of that. Again, I return to the Trade Marks Law, the Registered Designs and the Patents Law, this area of intellectual property. It is suggested by the Minister for E.D. that it should be the first task of any incoming Economic Affairs Scrutiny chair and his team to start here. Having taken a relatively superficial look at the content, good luck to whoever it is if they decide to start here because they could wear out their teeth on this one. It is a massively complex area, but at this time - at this moment - it is not good enough, I do not think, for the Minister for E.D. to allocate what is 90 days' worth of work, taking up a good chunk of next year's legislative Law Drafting Programme, to this area. When with the central question that he dangles in front of us, you could make millions, billions in this particular area, yes; but the central question is: how much would you have to invest and can you really compete with established jurisdictions that already, as in the U.K., have a degree of expertise and mastery there? There is a central question about is it worth the candle to go to this area. So while it sounds very exciting and there could be potentially huge rewards from it, it is an area where the ability for Jersey to do that is very much the central question. Can we do that is very much the question. It is not just a question of getting the legislation right and we can make it work and the millions will pour in. That is not

the case. So to present it as such is a bit simplistic. Finally, I suppose I note the total dominance of the Minister for Economic Development in terms of his lion's share ...

The Bailiff:

Deputy, I am sorry to interrupt you. Would you mind sitting down for one moment? We are not quite quorate. If a Member in the precincts would return to the Chamber ...

Deputy G.P. Southern:

I am getting quite used to it, Sir.

The Bailiff:

Please continue, Deputy.

Deputy G.P. Southern:

I note the dominance of E.D. and, like others, I am concerned that social legislation ... I think we had at the beginning of this 3-year stint of Ministerial government that we were going to have a new social impact and social administration of caring, and yet here we are again with the next year's law drafting and very few ... 2 is it? Two from Home Affairs, one from Health and nothing else on there. So it is a rather limited programme from that point of view. We have to not only look after the people who are making us the money, we also have to look after the people who we need to support. So I am a bit disappointed that that should be so absent. In that area, I look to ... I notice from page 158 of the annex that the Housing Associations Law is stalled still. That is an extreme disappointment to me. Revised final draft sent to departments in October of 2005, and here we are, 3 years later, and we have departmental policy under review. A final draft is 3 years old and we have not brought it to the House. I note with pleasure that the Residential Tenancy Law: "Revised draft to the department in March; out for consultation at the moment", should be ready to come through and does not need to be put on this list because it has already been drafted and will be coming before us, I hope, at the earliest opportunity from the Minister for Housing in the coming year.

1.1.12 Deputy R.C. Duhamel:

I just wanted to underline what the previous speaker was saying particularly in respect to the message that this legislation programme sends out as to where the heart of the community and the interests of the community really lies. If we take together the Economic Development Department and the Planning and Environment Department legislation requirements and we look at the time that is being asked for, that amounts to some 85 per cent of the total time available. We did have the Chief Minister a number of weeks ago making a presentation that was going to redefine the heart of the community and to put the emphasis back into social legislation and environmental legislation, but I think perhaps those were empty words, Sir, and certainly are not borne out by the legislation programme that is before us. I find it somewhat ironic that irrespective of the amount of time that will be spent by the Law Officers in drawing up this legislation, if we did another statistical calculation as to the time spent in this House when we consider the legislation, we would probably find that, indeed, we spend the least amount of time on the legislation for financial matters. That raises a general point as to whether or not we have our priorities right and whether or not the mechanism that is afforded to all the other departments for bringing forward their legislative programmes is being prioritised in the correct fashion. One would have expected that the amount of time in legislation and the amount of time that we discuss those particular propositions in the House or the laws in the House would bear some resemblance to each other in terms of the time taken to do so, but that would not appear to be the case. Personally, I do not think it is right that we should be sending out the message that it is money first and money second and money third and anything else comes a poor fourth, fifth or not at all, but maybe the next election will have something to say about that.

1.1.13 Connétable G.F. Butcher of St. John:

On the Home Affairs list, item 2, it relates to children and vulnerable adults. Slightly different to that, that might encompass those sorts of people, it was reported in the *Evening Post* recently an attack on a telecoms engineer who went on to a property looking for his next job. He was attacked by a rather large dog, and savagely attacked at that. They went to the police on this matter and were told there was absolutely no recourse; the police can do nothing about it when it is related to trespass laws. My question to the Chief Minister would be will he look at bringing in some sort of legislation such as a Dangerous Dogs Act because I know for a fact that this particular animal, it was the third person that this animal had attacked. The owner put the dog down that evening, but 3 people on. Had it been an Alzheimer's patient or something like that wandered on to the property, we would have been dealing with a fatality. I wonder if he would look at that.

The Bailiff:

I call upon the Chief Minister to reply.

1.1.14 Senator F.H. Walker:

I thank everyone who has spoken and, indeed, for a number of valid points that have been raised. Deputy Breckon kicked off on the subject of the ombudsman and the Licensing Law and I think - I hope he would agree - that the Minister for Economic Development adequately dealt with the questions he raised and the points he made. I would go on to say one thing. It is not the intention of anyone that any Member should be excluded - as Deputy Breckon clearly feels is possible, maybe has been in his case - from the process. I think I would suggest that in future an invitation is sent out to any Member who wishes to bring forward specific ideas for legislation to do so. I think we have all agreed that the decision conference process that was held in previous years was somewhat, to say the least, time consuming and over the top, but I do agree with Deputy Breckon that Members who have particular concerns about legislation should have the opportunity to bring them forward. I hope an invitation might be sent to Members for future programmes to do just that. Of course, we must not rule out - this maybe applies in one or 2 other cases as well - there is some reserve time built into the programme, so the programme as presented, is not necessarily the complete programme. There is always time built-in for emergencies if it is felt that they are, indeed, of sufficient priority. Deputy Le Hérissier raised a similar point, really, in principle about no whistle-blower legislation at this point. Again, that is something that could be given I think further consideration. He also raised a question about E.U. legislation on bovine semen. That, of course, is a consequential law requirement following the debate that the States held a number of weeks ago on the importation of bovine semen, where the States approved for it to happen. He and others raised the point about the programme this year being finance-orientated and yes, it is. The fact is that Jersey has fallen behind many of our competitors in terms of our financial regulation and new product development under legislation. It is very definitely a high priority for the Island to ensure that we not only recapture a leading position but, indeed, move ahead where it is possible. I would remind the Deputy and, indeed, other Members who have made similar comments, Sir, that all Ministers and all departments have agreed this programme. There is no major social legislation that any Minister has been pressing for urgently which is excluded. I said in my opening speech that all essential legislation as put forward by Ministers is included in the programme.

Deputy R.G. Le Hérissier:

Just on a point of clarification, Sir, in terms of E.U. legislation my point was not whether it was needed or not, it was the fact that it appeared from the entry that we were essentially importing the legislation, which I know with U.K. legislation is a sensitive issue. We were essentially importing it and, if that were the case, why were so many days required for any essentially brought-in piece of legislation?

Senator F.H. Walker:

I think the Deputy has answered his own question. It is not just a question of rubber stamping E.U. legislation; it is making sure that we have legislation which is fit for purpose in Jersey and which meets Jersey law, otherwise the number of days allocated would not be anything like those in the current programme. The Deputy also raised the question about the Regulation of Care, the Health and Social Services inclusion in the plan, and said because it comes last on the list does it mean it is the lowest priority? No, it does not. These are not done in the order in which they are presented. There is an internal mechanism and that will, I am told, without doubt be coming forward in 2009, which of course is what we need. I think Deputy Martin's points were all answered by the Minister for Economic Development, Senator Ozouf, but if there is anything she feels he did not cover I will, of course, do my best to answer it. The Deputy of St. John asked is the process reviewed. Well, yes, it is. It is reviewed annually. In fact, it is reviewed bi-annually. He referred to logjams. I am not aware of any major problematic logjams at this time. The Law Drafting Department are doing and have done a quite sensational job in bringing forward legislation and they are to be very highly commended, I think, and indeed thanked by Members for the work they do, which is intensely pressurised work on a very small department. The Deputy also talked about the Licensing Law which I think Senator Ozouf has dealt with, although he did say he was concerned that it was not included. Well, I can again say that all departments were consulted and all departments have confirmed that their major priorities - their essential legislation - is included in the programme. Deputy Scott Warren asked about the Charities Law which I think, again, was dealt with by Senator Ozouf. It was not? I am sorry, I thought it was. Sir, in that case I have wrong-footed on that one. The Charities Law ... this is the one to codify what is a charity for the purposes of Jersey law?

Deputy C.J. Scott Warren:

What I had asked is why, really, it was linked to the Charities Commission because one wonders why you need effectively possibly 2 pieces of legislation.

Senator F.H. Walker:

It is the same thing, Sir, and it will lead to a Charities Commission as planned. I am very grateful to Senator Ozouf for his very helpful intervention and also confirming that there has been previously a backlog in commercial legislation which this year's programme is unblocking, which we need. Deputy Power raised a question about the Human Fertilisation Law and referred to the fact there has been a long piece of work in progress and wants to know if we are going to be following the U.K. because I think I am right in saying he has some concerns about what is included in that legislation. Well, I cannot answer that in detail in terms of what is being worked on specifically, but of course any legislation will come forward in draft form and every Member will have every opportunity to comment on it. I think Deputy Fox's point was dealt with by Senator Ozouf. Deputy Ferguson asked is all the legislation necessary. I cannot give her an absolute undertaking that every department is only bringing forward legislation that is absolutely essential. What I think I can say is that I know that every Minister is determined to keep the legislation burden to a minimum but equally determined that Jersey's legislation should be fit for purpose in an ever-changing and modern world. I know Ministers do look very closely at the legislation coming out of their departments, so I think she can have some degree of comfort in that respect. It is growing ever more complicated. Legislation is placing greater burdens on the people of Jersey, but I am afraid that is the world we live in. It is the same everywhere else, sadly, I think in many respects. It is absolutely vital for Jersey to keep up. The Deputy of St. Martin raised a question about the Licensing Law, the circulation of a Green Paper to Members, and I can only wholeheartedly agree. I think every Member should be aware of it. I was very pleased that he was impressed with it. Deputy Southern came forward with yet another negative speech on the economy. I am absolutely astonished that the Chairman of the Economic Scrutiny Panel should have such a negative approach to any developments in the economy, but it is very clear from successive speeches he really has no support for the economy of Jersey at all. Sir, in particular, he talked about the Intellectual Property Law. He should be welcoming this with open arms. This is

low manpower and the Deputy is constantly reminding us about growth in manpower numbers. This is low manpower and measured against the potential return very low investment. It is tailor-made for the shape and structure of the Jersey economy. The Chairman of the Economic Scrutiny Panel should be welcoming it; having satisfied himself that it is fit for purpose should be welcoming it with open arms rather than talking it down at this stage. Goodness knows what shape the economy would be in if Deputy Southern had any say in its management, goodness knows. **[Approbation]** Sir, I have been personally involved in discussions with some very, very serious world players - and I mean serious world players - on intellectual property. Let there be no doubt, Jersey has an outstanding opportunity to move ahead of other jurisdictions in this respect. This could be the next arm, leg, call it what you will, of the economy that we have long been seeking. So, again, I really do not know where Deputy Southern comes from in matters economic. Deputy Duhamel said what message are we sending out because the programme is biased towards Economic Development and he is right, but there are no serious outstanding social issues that Ministers have said should come into the programme ahead of this. We have done a huge amount in terms of social legislation in recent years, a huge amount, and the Deputy is quite right in pointing out that the Council of Ministers, and me in particular, have made some very strong comments about the development of the social structure of Jersey and development of the environment and protection of the environment in Jersey. By no means all of that requires legislation. If there were pressing needs for legislation either socially or environmentally, they would be included in the programme. The Constable of St. John, finally, asked about a Dangerous Dogs Law. Well, having had my son attacked by an Alsatian I have every sympathy with him and so I would suggest that is something that he should take up with the Home Affairs Minister because I can absolutely see the point. So I hope that covers all the questions and all the points that were raised. In maintaining the proposition, I would like once again to reiterate my congratulations and my warm thanks to the Law Draftsman and her team for the superb work they do in supporting this Assembly and in supporting good government. **[Approbation]** Sir, I maintain the proposition.

Senator P.F.C. Ozouf:

Sir, can I just make one point of clarification? The Chief Minister mentioned the issue of the Licensing Law and the Deputy of St. Martin's concern that we did not have the slot. If the Deputy would look at the annex he would see all of the existing legislation with existing slots. We are only September and so there is still a lot of work to do; we have already got the slot to deliver it.

The Bailiff:

Appel? Yes. I ask any Members in the precincts who wish to vote to return to their seats. I ask the Greffier to open the voting, which is for or against paragraph (h) of the Chief Minister's proposition.

• POUR: 36		• CONTRE: 0		• ABSTAIN: 0
Senator L. Norman		•		•
Senator F.H. Walker		•		•
Senator T.A. Le Sueur		•		•
Senator P.F. Routier		•		•
Senator M.E. Vibert		•		•
Senator P.F.C. Ozouf		•		•
Senator T.J. Le Main		•		•
Senator B.E. Shenton		•		•
Senator J.L. Perchard		•		•
Connétable of St. Ouen		•		•
Connétable of St. Peter		•		•
Connétable of St. Clement		•		•
Connétable of St. Lawrence		•		•

Connétable of Grouville		•		•
Connétable of St. Saviour		•		•
Deputy R.C. Duhamel (S)		•		•
Deputy A. Breckon (S)		•		•
Deputy J.J. Huet (H)		•		•
Deputy of St. Martin		•		•
Deputy G.C.L. Baudains (C)		•		•
Deputy C.J. Scott Warren (S)		•		•
Deputy R.G. Le Hérisssier (S)		•		•
Deputy J.B. Fox (H)		•		•
Deputy J.A. Martin (H)		•		•
Deputy S.C. Ferguson (B)		•		•
Deputy of Grouville		•		•
Deputy of St. Peter		•		•
Deputy J.A. Hilton (H)		•		•
Deputy G.W.J. de Faye (H)		•		•
Deputy J.A.N. Le Fondré (L)		•		•
Deputy S.S.P.A. Power (B)		•		•
Deputy S. Pitman (H)		•		•
Deputy A.J.D. Maclean (H)		•		•
Deputy K.C. Lewis (S)		•		•
Deputy of St. John		•		•
Deputy of St. Mary		•		•

Senator T.J. Le Main:

Sir, could I perhaps answer a question asked by Deputy Breckon yesterday about some figures on property sold by Housing? Would you allow me just to ...?

The Bailiff:

If it is very brief, Senator.

Senator T.J. Le Main:

Very briefly to the question asked by the Deputy yesterday, since the Property Plan the open market sales from housing has been 4 sales, £1.4 million, and the sales to tenants totals 88, £19.1 million. There are 18 further sales on the go at the moment, Sir. Thank you.

The Bailiff:

Thank you very much, Minister. That completes ...

The Deputy of St. Martin:

Sir, could I make an observation? One knows throughout this debate we have had any number of occasions when we have not been quorate. I do find it rather galling that when a Member or someone is wrapping-up or closing his debate that Members do not take that as a signal, particularly those outside the Chamber, that that is a time at least to make an entry to ensure they are here for the vote. What I do find disturbing is that time is given, certainly by you, Sir, as Speaker, to allow Members who are outside the Chamber to return to the Chamber to vote. I took the proposition through the States regarding the simultaneous votes and it was intended that when the vote was called for the vote would be taken. However, at that time Senator Lakeman was the President of Privileges and Procedures and he said: "Well, maybe give time, we ought to allow Members to return to their seats" because he was one of those Members who used to wander round the Chamber. All I would say, Sir, with respect, that when a vote is called for, the vote is taken

there and then, not to allow Members to drift in. We had about 8 or 10 came back after you had called for the vote. The time was lost. We are losing time and this is even adding to it, Sir.

The Bailiff:

Well, Deputy, I think that is a matter for the Privileges and Procedures Committee. I believe that the chair is fulfilling the wishes of that Committee at the moment in allowing Members some time to come back. **[Approbation]**

The Deputy of St. Martin:

With respect, Sir, it does not say to return to the Chamber; it says return to the chairs.

The Bailiff:

We will give that some consideration, Deputy.

2. Draft Companies (Annual Returns - Additional Charge) (Jersey) Regulations 200-(P.129/2008)

The Bailiff:

That completes the debate on the Business Plan, and we come now to Projet 129, Draft Companies (Annual Returns - Additional Charge) (Jersey) Regulations, and I ask the Greffier to read the citation to the draft.

The Greffier of the States:

Draft Companies (Annual Returns - Additional Charge) (Jersey) Regulations 200-. The States, in pursuance of Articles 201(2) and 220(1) of the Companies (Jersey) Law 1991, have made the following Regulations.

2.1 Senator P.F.C. Ozouf (The Minister for Economic Development):

Members will recall that in April 2007 the States passed the Financial Services Commission (Amendment No. 4) Law. One of the objectives of Amendment No. 4 was to give effect ... **[Interruption]** to the *Edwards Report*, also reflected in the *I.M.F. Report*, that regulatory bodies and government should be clearly independent of each other. In the past, the Financial Services Commission paid an annual contribution to the States determined by the Commission and the former Economic Development Committee and now Minister in consultation with each other. Approximately £4 million was paid in 2007 to the Treasury. Fees under the Company Law were set by Order of the Minister having consulted with the Commission. Fees were then collected by the Registrar and formed part of the Commission income out of which the agreed contribution, £4 million approximately, was paid to the States. This arrangement was not considered sufficiently compatible with the Commission's position as an independent body. Amendment No. 4, therefore, transferred to the Commission the power to set fees under the Company Law in respect of registrar's fees. This means that fees levied will fund the cost of administering the register in a direct and transparent manner. The States were given power under the amended Article to set an additional fee by Regulations to replace the Commission's annual financial contribution. This additional amount is to be paid by the Commission directly to the Treasurer of the States as in the past. These Regulations are those envisaged exactly in what was set out in April of 2007's amendment. Having consulted with Jersey Finance on the prospect of increasing the total fee, the Minister for Treasury and Resources has decided it would be appropriate to maintain the existing position for 2009 so that the overall filing fee for the annual return will remain at £150. The Commission have indicated it is their intention to set the annual return fee of £35 as representing the costs of running the register and processing the annual return, et cetera; therefore, the Regulations will set a fee of £115 for the States element. Sir, I propose the principles of the Regulations.

The Bailiff:

The principles are proposed and seconded? [**Seconded**] Does any Member wish to speak on the principles of the Regulations?

2.1.1 Deputy C.F. Labey of Grouville:

Yes, Sir. I thought the annual return fees could be an opportunity of getting something back for the offshore companies that are registered in Jersey. I think I did speak to Senator Le Sueur about this, because it raises an amount of money but there could be potential with going to Zero/Ten for raising an awful lot more in this capacity because it is not actually a tax. Thank you, Sir.

2.1.2 Senator T.A. Le Sueur:

The Deputy of Grouville is quite correct in that assumption, but in looking at the fees charged to companies for operating in Jersey, we try to take a more holistic view. In relation to the charge for G.S.T. (Goods and Services Tax) for financial services companies, we have imposed a charge on every company registered or operating in the Island. That will add to the costs of those companies, Sir, and before adding a further cost to those companies I wanted to ascertain the effect that that particular aspect had on their willingness to continue to operate out of Jersey. This matter, as far as I am concerned, is very much a live one and it will be reviewed each year in order that if we can extract some more money in this way we should do so, but I have no wish to kill off the geese or the eggs which are laid currently by many of these geese, Sir.

The Bailiff:

I call upon the Minister to reply.

2.1.3 Senator J.L. Perchard:

Sorry, Sir, can I just ask a question before the Minister replies? The £115 is the element to be paid by the Jersey Financial Services Commission to the States. The total to be levied on a company, which would be levied by the Financial Services Commission, is what and how is the income specifically for the Commission regulated?

2.1.4 Senator P.F.C. Ozouf:

I will deal with Senator Perchard's question last. The total fee that will be charged by the Commission is going to be £150. £35 will be effectively retained in the overall calculation. £35 will be retained by the Commission to run the registry. This Assembly has given the Commission the ability to set in a number of different respects its own fees. However, there is a consultation and a very transparent process with the Commission in relation to its consultation with the industry to ensure that the Commission are simply not setting the fees outwith of the views of the industry, et cetera. Of course, the Minister for Economic Development does have reserve powers under the Financial Services Law in respect of corporate governance and other matters and also the Comptroller and Auditor General reviews and has already carried out a review and the P.A.C. (Public Accounts Committee) has looked at the overall funding issues of the Commission. I think there is, certainly as far as my information is, I think there is a much greater level of confidence in the Commission and the way that they go about setting fees and the transparency of arrangements, and certainly there is not the political intervention, which cannot be right. It cannot be right that there is a political intervention in setting fees. The Commission must be regarded as separate. In relation to the Deputy of Grouville's question, she is absolutely right to have the objective of wanting to raise as much money as possible out of company formation and the registry in Jersey. The key question that we are discussing is how best can we achieve that? Some jurisdictions, such as the B.V.I. (British Virgin Islands) and Cayman, operate much, much larger company registries and some of them operate as almost warehousing. I am looking forward to celebrating the 50,000th company that is going to be incorporated in Jersey. We think that the Jersey Registry, on the back of our very sound regulation and our gold standard approach in relation to financial regulation, is going to mean that we are going to become increasingly a preferred place for our registry to be

used, but we do not want a “pile it high and sell it cheap” approach. We want to maintain all of the gold standard elements of our registration. The thing that the Deputy of Grouville will be aware - I know she has some relevant industry experience - is that that price and that annual fee is very market sensitive. So the Minister for Treasury and Resources, in consultation with E.D., the Commission and Jersey Finance ... not the Commission, Jersey Finance, is very attuned to see how we can make sure that the fee is not going to be a disincentive to use Jersey. I am very confident that our registry and Jersey companies are going to be used increasingly. The Jersey Finance trip that has just returned to the Island from Hong Kong and other places in Asia/Pacific indicates that there is a huge opportunity for Jersey companies to be used as a gateway through to the financial markets in London. The Minister for Treasury and Resources and I will continue to keep this under close review to ensure that the fee maximises the overall economic benefit to Jersey. Of course, I would remind Members that in the fiscal strategy, as difficult as G.S.T. has been, of the amount of G.S.T. which is raised - £7 million - is from the financial services; and financial services is not only simply the fee, there are other intangible benefits such as the fees on the partnerships and lawyers and accountants and banks that flow from the use of the Jersey registry. But her comments are noted, taken on board, and we will keep the matter under constant review. Sir, I move the preamble.

The Bailiff:

The principles of the Regulations are proposed. Those Members in favour of adopting them kindly show? Those against? They are adopted. The Chairman of the Scrutiny Panel is not here. Vice-Chairman of the Scrutiny Panel, Deputy Breckon? No? Well, Minister, do you wish to propose the Regulations as amended by your Ministry?

2.2 Senator P.F.C. Ozouf:

Indeed. If I may, the proposed amendment is intended to make the Regulations fairer for companies. The original Regulations apply in relation to all annual returns filed after the Regulations came into force. This would include returns for 2008 if they were filed late. An additional fee will thus have to be paid by the company meaning that effectively it would be paying the States an element of fee twice. To avoid this perceived injustice, the amendment will disapply the Regulations in relation to annual returns for 2008 or earlier. I have made comments in relation to the rest of the Regulations. I move the Regulations as amended *en bloc*.

The Bailiff:

Regulations 1 and 2 as amended by the Minister are proposed and seconded? **[Seconded]** Does any Member wish to speak? I put the Regulations as amended. Those Members in favour of adopting them kindly show? Those against? They are adopted. Do you move the Regulations in Third Reading, Minister?

Senator P.F.C. Ozouf:

Yes, please, Sir.

The Bailiff:

Are they seconded? **[Seconded]** Does any Member wish to speak on the Regulations in Third Reading? I put the Regulations. Those Members in favour of adopting them kindly show? Those against? They are adopted in Third Reading.

3. Draft Police Procedures and Criminal Evidence (Amendment of Schedule 1) (No. 1) (Jersey) Regulations 200- (P.130/2008)

The Bailiff:

We come next to Projet 130 - Draft Police Procedures and Criminal Evidence (Amendment of Schedule 1) (No. 1) (Jersey) Regulations - and I ask the Greffier to read the citation of the draft.

The Greffier of the States:

Draft Police Procedures and Criminal Evidence (Amendment of Schedule 1) (No. 1) (Jersey) Regulations 200-. The States, in pursuance of Articles 3(10) and 113 of the Police Procedures and Criminal Evidence (Jersey) Law 2003, have made the following Regulations.

3.1 The Deputy of St. John (Assistant Minister for Home Affairs - rapporteur):

Once again, Members will be familiar with the various I.M.F.-related legislation that has already been passed in preparation for the coming inspection. These draft Regulations represent further necessary amendments to satisfy recommendation 28 of the Financial Action Task Force against which Jersey will be assessed by the I.M.F. next month, Sir. Recommendation 28 requires that competent authorities responsible for conducting investigations into money laundering and financing terrorism should have powers to seize, obtain and compel production of records, documents and correspondence held by financial institutions for use in investigations and prosecutions into such offences or related actions. Some offences committed under the Drug Trafficking Offences (Jersey) Law 1988, the Proceeds of Crime Law 1999 and the Terrorism (Jersey) Law 2002 are currently not included in Schedule 1 to the Police Procedures and Criminal Evidence Law. Consequently, the States of Jersey Police have occasionally encountered difficulties in obtaining production orders and search warrants under the present provisions because these existing offences are not listed in the schedule to the law as serious offences and may not meet the criteria for a serious offence under Article 3 of the P.P.C.E. (Police Procedures and Criminal Evidence) Law. The criteria are onerous and are not always met in relation to existing offences, such as in failing to report offences, tipping-off offences and breaches of the Money Laundering Order 2008. These amendments are designed to correct these inconsistencies. Thus, in meeting recommendation 28 of the Financial Action Task Force and allowing for offences linked to financing terrorism and money laundering to be fully investigated, these draft Regulations add to the definition of “serious offence” in the Police Procedures and Criminal Evidence (Jersey) Law 2003. The offences have already been enacted by the States and these amendments are designed to ensure that all the offences listed in the draft Regulations can be properly investigated in accordance with recommendations of the Financial Action Task Force. I propose the principles of the Bill.

The Bailiff:

The principles of the Regulations are proposed and seconded? **[Seconded]** Does any Member wish to speak on the principles? I put the principles of the Regulations. Those Members in favour of adopting them kindly show? Those against? The principles are adopted. The Chairman of the Scrutiny Panel is not here. Deputy Chairman?

Deputy J. Gallichan of St. Mary (Deputy Chairman, Education and Home Affairs Scrutiny Panel):

No, Sir, we do not wish to consider it.

The Bailiff:

You do not wish to scrutinise. Thank you. Assistant Minister, do you wish to propose the 2 Regulations *en bloc*?

The Deputy of St. John:

Yes, if I may, Sir.

The Bailiff:

They are proposed and seconded? **[Seconded]** Does any Member wish to speak on either of the Regulations? I put the Regulations. Those Members in favour of adopting them kindly show? Those against? They are adopted in Second Reading. Do you propose the Regulations in Third Reading?

The Deputy of St. John:

Yes, Sir.

The Bailiff:

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

The Deputy of St. John:

I thank Members for allowing this to slip through without too much debate in preparation for the forthcoming visit. Thank you, Sir.

4. Income Support, Food Costs Bonus, Income Tax Allowances and/or Exemptions - Increases to Offset G.S.T. on Foodstuffs and Domestic Energy (P.138/2008)

The Bailiff:

Now Projet 136 has been withdrawn, we come next to Projet 138, Income Support, et cetera. Do Members wish the Greffier to read out the whole of the proposition or maybe take it as read? Taken as read. Well, then I call upon Deputy Le Fondré to propose the proposition.

4.1 Deputy J.A.N. Le Fondré of St. Lawrence:

Sir, we have had a very long week and, therefore, I do want to keep it short if we can. I remind Members that what this is about is about helping those who need assistance at a time of worldwide food and energy price rises. I do hope Members have had a chance to read the proposition and the addendum that was circulated shortly thereafter. The principles of what I am proposing are very clear: take the money that would have gone on G.S.T. exemptions and give it back to people in a different way. I appreciate that politically for some people this is difficult to understand, and this is not about another victory for the rich, as was said to me at the end of the last debate. This is, in fact, the very opposite. It is about trying to help people and targeting that help more effectively than the blunt instrument of food exemptions. I appreciate that some Members do not agree with the figures; however, the numbers produced by the Statistics Department for both food and fuel, which are in the addendum, show that in absolute terms the greater benefit from food exemptions would fall to the better off. Yes, there is an argument about proportionality and relating this to a proportion of income. However, if we can properly apportion the amount paid so that we can give more to the less well off than would have been saved if food had been exempted, then proportionately they will be better off than under food exemptions and we can keep the bureaucracy down. Certain Members may talk about hand-ups versus hand-outs, but consider the headlines we have had in the last couple of weeks. We have had the “heating or eating” headline and we have had the “coal price soars” headlines. So we do need to get help to the people who are not, for example, going to be eligible under winter fuel payments in my view to people who are concerned over price rises in food and fuel, and is getting possibly 3 per cent back to someone where prices have gone up by 26 per cent going to solve the problem? I do not claim mine will fully solve the problem either, but it will get proportionately more back to those who need it than just by exempting items from G.S.T. There are some illustrations in the addendum, but I want to try and stick to the principles rather than focusing too heavily on figures. I will give one reference to the illustrative example in the back of the addendum, and that says we could get £3 back to householders, which is a lot better or similar to earlier proposals. Again, I want to stick to the

principles. I do know there have been concerns over fiscal drag. In other words, if the Minister for Treasury and Resources changes tax exemptions there is no actual mechanism to stop inflation eroding this in the future. However, I am grateful to Deputy Ferguson for her suggestion to amend the marginal rate from 27 per cent to 26 per cent, and that would avoid this measure being eroded by lack of action in the future and should help to counter the fiscal drag argument. The Minister for Treasury and Resources is happy to consider this along with certain increases in exemptions as well. I spent further time discussing matters with Social Security and options are relatively wide for changes to income support, but bear in mind we are still dealing with a relatively small sum of money. I have to say I never thought I would ever say that about £700,000 to £1 million. However, one can use the adult component of income support to ensure that G.S.T. offset is achieved and one could use any balance to marginally impact upon the disregards. That is the incentives relative to employment, pension provision or even long-term incapacity allowance. That equates far more to a hand-up than a hand-out as certain Members may appreciate. The reason I mention those as examples is that there are many different options available. Those are purely illustrations. So, to conclude, I have established a principle. I want to leave it to the Minister for Treasury and Resources and the Minister for Social Security to work together to come back as soon as possible with some proposals that we can debate, hopefully approve and get in place. Those are the principles. That is to say to use the existing systems of income support, the G.S.T. rebate or bonus system, and the income tax systems to better target the money and at the same time keep it simple. This is the only option left on the table as of today, and I hope Members will support this wholeheartedly and give their support to this proposition. I would hope we can avoid a rerun of the debate on food exemptions as these are not strictly relevant to the proposition. This is about getting support to those who will get assistance from these proposals. I believe it is an appropriate response to changes in circumstances and I believe, as I said last time round, it is an adaptive approach, not a reactive approach. It will put money into the pockets of people that need it and keep matters simple. That was the promise; to date we have kept it. I urge Members to accept this proposition, which is an in principle proposition. Thank you, Sir.

The Bailiff:

Deputy, may I just make it clear that you are proposing your proposition as amended; that is to say the ...

Deputy J.A.N. Le Fondré:

Sorry, I was going to allow a separate vote on the amendment. I can speak to the amendment separately. So at the moment I am proposing the proposition unamended, Sir.

Senator B.E. Shenton:

I am opposed to the amendment.

Deputy J.A.N. Le Fondré:

Would you like me to just speak to the amendment, Sir?

The Bailiff:

I think procedurally, Deputy, I should now ask you to speak to the amendment and just put that in context. Perhaps the Greffier would read the amendment so that Members are quite clear what they are now debating.

The Greffier of the States:

Page 2, paragraph (a), delete the words “and domestic energy”; page 2, paragraph (b), delete the words “or on domestic energy” in both places where they appear.

4.2 Deputy J.A.N. Le Fondré:

The original proposition referred to the amount of money that would be foregone if both food and domestic energy were exempted. I was asked to rephrase the proposition to allow Members the ability to select either just food or both food and domestic energy. Now, I have to say that my preference is to remain with the original proposition, i.e. to do both, especially, as I said, given the headlines in the press over the past couple of weeks. But I am in the hands of Members on this and, oddly enough, I am going to abstain on my own amendment. I want Members to decide what they want to do here, and this enables Members to have a choice. So if Members feel it is right to apply the larger amount, they vote against the amendment, and the total estimated sum would still be within the estimated increase of revenue from G.S.T. However, if Members wish only to use the money that would be foregone from exempting food from G.S.T., then they should vote in favour of the amendment. Thank you, Sir.

The Bailiff:

Is the amendment seconded? **[Seconded]** The amendment is open for debate. Senator Shenton.

4.2.1 Senator B.E. Shenton:

The amendment changes the whole context of paragraph (b). Paragraph (b) in the original form says: “to agree that the increases set out in paragraph (a) would only remain in place while G.S.T. is payable on foodstuffs or on domestic energy.” In other words, they can remain in place even if they are removed on just foodstuffs or just on domestic energy. Now, I would also ask Members to vote against the whole of paragraph (b) when we come to debate the main proposition. On the face of it, it looks quite a laudable idea. We are giving benefits to the public instead of exempting food and, from an accountancy point of view, you would, perhaps, want to take those benefits back if you ever do exempt food in the future. Also, to a certain extent it makes it a lot harder to exempt food in the future because you would have to rescind paragraph (b) if you wanted to keep the benefits in place. But I think this is a very short-sighted view of the proposer, simply because he is very much, I believe, looking forward to what happens next year, as opposed to what may happen in 5 or 6 years. If, for example, next year someone brings a proposition to exempt food, which is heavily defeated by the new House - as indeed it may be because we have elections and we will have a new House - then it may be thought that that is the end of the exempting food debate. If we take the New Zealand model - and we have spoken a lot about the New Zealand model in the past, about a simple system - what happened in New Zealand is that the benefit system did not keep pace with inflation and, in fact, the first time New Zealand hit recession benefits were cut quite drastically. So let us just look at a scenario in the future - say 5 or 6 years’ time - benefits have not kept pace because Jersey has been perhaps in a bit of a recession, or so on. There is a need to raise G.S.T. and there is a thought by the Minister for Treasury and Resources at the time that it would be a very good idea to exempt food from G.S.T. So he thinks: “Well, let us exempt food from G.S.T. We will leave the benefits in place because benefits have not kept track and, from a fiscal point of view and from an economic point of view and from a social point of view, these are all the right things to do.” Then he turns round and says: “Well, unfortunately, because of a proposition way back in 2008, I am now restricted on what I can and cannot do.” I think this Assembly should set policy based on today and not tie the hands of future politicians and what they can and cannot do. I mean, obviously, if you are giving benefits, whoever brings future exemptions for food or so on will have to make a good argument as to whether those benefits should be cut or whether those benefits should remain apace. But surely that is an argument for future Houses? That is not an argument for this House. If you are an accountant it makes sense to keep this in. If you are an economist you need the flexibility; you need the flexibility in the future. If you are concerned about social issues you need the flexibility. I think this is a very short-sighted amendment because it does tie the hands of future Houses and it may force them to do what is not in the best interest of the Island. I can see why it is there but I would ask Members to vote against it.

4.2.2 Deputy J.A. Martin:

I will be brief. First comment is: that we had no comments from the Council of Ministers to a Back-Bencher's proposition which purports to be spending without amendment £4.3 million and with, £4.2 million. I think is absolutely disgusting, Sir. I am interested to hear why the proposer has stood up and said he was persuaded to pull domestic energy from his proposition, but would prefer to keep it in and will abstain on the vote. As far as I was concerned - and I know which way I voted on the exemptions - people thought this was a straightforward alternative and, on the same day as the vote, there came this amendment. After the vote was lodged I found this. It was in my pigeonhole. It may have been there before the vote but it was still lodged. I cannot agree more with Senator Shenton. It is the last day of sitting. I cannot support this amendment because I wanted domestic fuel in. The option... as we heard again yesterday - we increased the winter fuel allowance and, again, we had a very well known representative senior citizen on the radio being interviewed this morning saying: "Yes, but it does not address the middle Jersey." As for people... and I really, really must ask people to go out and read P.90, which is called Draft Food and Bonuses, and it could be done exactly the same on domestic energy as well, Sir. We are talking about - as the tax band stands today - around 8,000 homes of middle-earners in Jersey. You are talking about your people who have a couple of children, between £40,000-£45,000 a year, and they are supposed to go and fill in this form. I will go more into what they are supposed to do and why they need to sign a disclosure; that the Comptroller of Income Tax can speak to the Minister for Housing because if it is not filled in properly, Sir, they are liable to up to a 7-year prison sentence, plus a fine. This is the fine piece of legislation that we passed to ask people... and I can remember it well, I can remember the Minister for Economic Development saying: "You have got income support. We are rising under the other option. Do not exempt food. We are going to raise tax. In between these 6,000 or 7,000 houses [he did not mention the amount] we will make it as automatic as possible for them to claim back fuel allowance and food." There is no "automatic" about it, but if it is going to be claimed back, Sir, I am going to vote that domestic energy is in it; and remember you can only claim this bonus back between the 1st October and 15th December. So all these lovely people who are buying their food from January to September, their domestic energy, will be paying the full G.S.T. on it. So, whichever way we go, we are in a very, very bad place, I think. But I am not having an amendment by a Back-Bencher which he does not even support. Who asked him? He said: "I was advised." We were told this is not some sort of undercurrent Assistant Minister's proposition and that has been vehemently denied. Well, who asked the Back-Bencher to amend his own proposition that he does not want amended? I cannot understand it. As I start off again, Sir, I need some very, very convincing messages from every Minister that this concerns. We have got a Chief Minister - and I wish him well in his future life - but he is not back here and I am sorry, I am standing on my feet, I will not take promises from this Chief Minister. No disrespect for the promises he can fulfil up to the end of his term but he cannot fulfil any promises from December this year because he has decided to retire, and that is fair enough. I wish him well, but his promises will not mean a lot to me. I have no written comments from the Chief Minister's Department. We got written comments for the Deputy of Grouville's proposition, supposedly the Council of Ministers conveniently then supporting the G.S.T. on food under the U.K. system but, surprisingly, not supporting domestic energy and neither now does the Back-Bencher support Deputy Le Fondré's proposition if we go with the amendment. So I am sorry, Sir, I was told 10 days ago there was no time to produce comments because of the shortness of the debate. We are 10 days down the line into the debate and we still have had no attempt to have comments on this proposition. It is a lot of promises for tomorrow and already they want to take domestic fuel out of it. So I am sorry, Sir, I will not support the amendment and I hope - like the proposer of the proposition - we all do the same. Thank you, Sir.

4.2.3 The Deputy of St. John:

I was disappointed, Sir, that we lost the domestic energy debate previously. Energy costs are rising daily: oil, electricity, gas, coal, all going up. Only yesterday the price of oil on the world market

increased by 25 dollars. It is not just people on income support but middle Jersey that will start to suffer this winter, so I will be opposing the amendment.

4.2.4 Deputy S.C. Ferguson:

This proposition, without the amendment, helps middle Jersey, those in the marginal relief band. A reduction in marginal relief goes straight into the pockets of those who need it and it is quick underwriters. I think people should be given more freedom to spend as they wish, and if the Minister for Treasury and Resources does not bring the overall amendment in marginal relief to the budget, then I will. I think Senator Shenton has missed the point. The main impact of this whole amendment and proposition is to give some benefit to those who have saved all their lives, and are on fixed incomes, or those struggling with a young family and above the income support level.

The Bailiff:

Deputy, is this a speech on the proposition itself? We are addressing the amendment at the moment.

Deputy S.C. Ferguson:

It is all part of it, Sir, because I do not agree with the amendment and I think the proposition should be taken as said, Sir. So that is it, Sir.

Senator B.E. Shenton:

That is what I said, so I am not sure how I missed the point if she agrees with me.

The Bailiff:

I think you must address the amendment, that is to say whether the words: “or domestic energy” or “and domestic energy” should be deleted.

Deputy S.C. Ferguson:

No, I think they should be not deleted because there are ways to cater for the extra money that this will cost. Quite a few of these were in the Auditor General’s spending review and the House could well have adopted these earlier in the Business Plan debate and the Ministers must look to these. I feel we can find the savings elsewhere and that we can afford to leave domestic energy in.

4.2.5 Deputy C.J. Scott Warren:

I will be voting against this amendment. It is not simply the people on income support who are worried about heating their homes. I know the amendment is about domestic heating but, obviously, we also do have to consider the high cost of food at the moment in Jersey. Middle earners, people right across the board are concerned about the heating bills. I think this concern for elderly people is even worse, and some of us have received an email recently from somebody which says about the fact that means testing I believe does not happen for the elderly in the U.K. regarding heating bills at home. You have to ask, while there are a lot of times when means testing can be justified; with the fear factor of bills and the elderly I do question that in Jersey, and I do believe that the amendment should certainly not be supported. Apart from the very wealthy in Jersey, if we are going to have means testing, all of the provisions in the main amendment should certainly stand for domestic energy as well as food. Thank you.

4.2.6 The Deputy of St. Mary:

Sir, I cannot tell a lie, I cut down the cherry tree. **[Laughter]** I did it without meaning too, really. Members will recall, I am sure, we had a very, very lengthy debate on the proposition brought by the Deputy of Grouville and I was concerned at some stage that a lot of the valid points that she was raising were being overshadowed because people were focusing on what was to come, rather than on dealing with her proposition. I had numerous conversations because I am sure - like many Members - I struggled with deciding the best course of action to take. I had lots of conversations in

the coffee room with other members, et cetera, and I had one very memorable conversation with Deputy Le Fondré in which I said something to the likelihood of: "I think it would have been a lot clearer for Members to assert where they stood on food or domestic energy or both, if they were separately in your proposition" and that, I understand, is what led him to make his amendment. I must say that he did not consult me about that amendment any further and certainly, had he shown it to me before he lodged it, Sir, I would have said: "That is not going to achieve what I wanted to do." However, what is done is done. I feel as things stand today - and, of course, we are now past the Deputy of Grouville's debate - that the amendment is not a good idea. I will be voting against it even though it is my fault, Sir. **[Laughter]** So, while I cannot put the cherry tree back together, I would simply urge Members, if you agree with me - and also the proposer - that this was probably well-intentioned but not well-directed, simply vote against it and let us move to the main proposition. Thank you, Sir.

4.2.7 Deputy A. Breckon:

Just briefly, Sir, I was going to ask the question that has now been answered: whose proposition or amendment was it anyway? I am concerned, Sir, because we are playing games with that. There are many people, especially elderly, who are concerned about the cost of heating their homes and I do not think we should be playing games with it. I am not content about the main proposition but I will address that when we come back to it, Sir.

4.2.8 Connétable S.A. Yates of St. Martin:

When I first came to the States about 2 years ago, I think the G.S.T. debate on regulations was one of the first debates I took part in. I came to the Chamber being very anti-G.S.T. and during the course of debate I was listening very carefully and I was told by the Minister for Treasury and Resources that the vulnerable will be protected and I was told by the Minister for Social Security that the vulnerable will be protected. Well, in my role as Constable, I know how vulnerable people have to live to the wire because a recipient of Parish welfare might receive - a single person - £110 a week or something like that and a family with a couple of kids might be receiving £200 a week, and I know that the imposition of £3 G.S.T. or £6 G.S.T. - as it was in those days because there were no exemptions - would be very, very arduous and difficult for these vulnerable people. Having had the assurance that vulnerable people would be protected I changed my mind and I have supported G.S.T. ever since. That reassurance was not that: "We will protect the vulnerable people a little bit" or: "We will partly protect the vulnerable people" or: "We will almost completely protect the vulnerable people." It was: "We shall protect the vulnerable people." So I will hold the Ministers to what they said to me at that time and I will not support this amendment.

4.2.9 Deputy G.W.J. de Faye of St. Helier:

Sir, first of all, I would like to make a direct reference to Senator Shenton, who was the first to rise to his feet in this debate, and express to him my extreme disappointment that he did not use that opportunity to make a form of apology to Deputy Le Fondré, whose reputation he has traduced by writing a letter to the *Jersey Evening Post (J.E.P.)*. If he does not know now, he should be informed that the content of his letter was essentially a complete fiction and fabrication and not only, I think, denigrated the Deputy's reputation but also sought to suggest that the Council of Ministers were involved in some form of conspiracy.

Senator B.E. Shenton:

May I suggest that the Deputy re-reads the letter? He obviously has trouble reading.

Deputy G.W.J. de Faye:

I just suggest the Senator confines himself to making an apology at the appropriate moment. Sir, I will be against this amendment for a very simple reason. I am very grateful for Deputy Le Fondré bringing his proposition forward because it shows how taxation can work when you are in a position to re-distribute the tax revenue into the right direction. Not just in the Island but around

the civilised world, everyone is worried about energy prices, in particular, as well as the rising costs that that produces, not just food but in all sorts of manufacturing areas. Clearly, the public is very, very concerned at the moment. I have to say that I am not a believer in thinking that we can get round continually rising energy prices by constantly cutting the Impôts or the duty or the rates of the taxes levied upon them. That is a short term solution that provides no long term satisfaction. We cannot simply just continue to allow consumption of energy - whether it is domestic fuel or anything else - to continue. So this is something that we need to bring public awareness into play. At this stage I think it is entirely right, because the public expect it and are concerned about it, that we should make a move to offer some level of relief based around the costs of domestic energy but we should not fool ourselves into thinking that you can carry on doing that because one simply cannot. But that I believe is the issue and that is why it is so important - at this early stage of the introduction of G.S.T. - to show that it can work in the way that it was intended. We brought forward - this Assembly - a fiscal package of general sales tax supported by income support. If there was any concern at all it would be that lower middle and middle Jersey - if I can put it in that context - was not included in income support, but we can see from the body of Deputy Le Fondré's proposition that those issues are tackled and I think it is right, Sir, that those issues are tackled not just on the issue of the cost of food but also on the issues of consumption of domestic energy. Let us make no mistake about why it is right to levy G.S.T. on domestic energy because who are the people with the larger fuel tanks? Who are the people who use oil burning boilers to heat the heated swimming pools? Who are the people who have the large central heating units because they have large houses? Those are the people who quite rightly should be taxed with a G.S.T. that takes money from across the board and allows us to divert it into the more needy areas. So I will be against this, Sir. I think that domestic fuel should be part of this overall protection package. I would just say one thing to Senator Shenton on the subject of whether I can read or not. I have to say I think the boot is on the other foot. I remind the Senator if he would like to read his own letter again it says, just towards the end: "I shall not take part in the Le Fondré debate next week and shall remove myself from the Chamber." I suggest that the Senator take note of what he has already written down in black and white.

Senator B.E. Shenton:

Sir, we are discussing the amendment. I will be leaving for the debate. **[Members: Oh!]**

4.2.10 The Deputy of Grouville:

Thank you, I will confine my remarks directly to the amendment. I would just like to ask the proposer one question: given that keeping warm and eating are 2 of life's essentials, why he has decided to remove domestic energy when inflation on food is running at 13 per cent and yet on domestic energy is double that. It is running at 26 per cent with Jersey Electricity Company going to be putting up their charges by an estimated 25 per cent next year; coal 23 per cent. Why has he chosen to exempt domestic energy and not the other way round? Thank you, Sir.

4.2.11 Senator M.E. Vibert:

Sir, if I may - and if he does not mind - quote Deputy Lewis, I will be brief. I do not want anybody in Jersey to have to choose between eating and heating, as it has been so starkly put, so I will not be supporting the amendment to delete domestic energy, Sir.

4.2.12 Deputy G.P. Southern:

To use my own Constable's words of yesterday: "A new nadir, a new low." Here we are debating a proposition on the hoof, produced at short notice, amended at short notice and the amendment is not even supported by the amender. What are we doing? What are we doing? This is no way to govern an island. **[Laughter]** I shall be opposing this amendment and waiting with bated breath to see what we make of the debate, at this short notice, to save a few skins.

The Bailiff:

I call upon Deputy Le Fondré to respond to the debate on the amendment.

4.2.13 Deputy J.A.N. Le Fondré:

I would like to thank all those who have spoken. I will not make too many direct comments, Sir. I think the main thing I would like to say is: for me it was a choice and as I was approached by the Deputy of St. Mary, and I picked up some comments from one or 2 other Members as well who were basically trying to say they did not like the P.138 main proposition because it was food and domestic energy. So, quite literally, I would prefer if it is a choice between £4.5 million and nil, I would rather get to the £4.3 million. If the situation has been £5.8 million and £4.3 million I would prefer to get the £5.8 million into the picture. That is just to make it clear. So, it is hedging one's bets if you like, and it was to give Members a choice. We had rejected domestic energy at the time. If they were that concerned about domestic energy and did not want it in the debate, I did not want it to jeopardise the hopeful probability of a possibility of getting a substantial benefit, not quite as much as I would like but a substantial benefit to those who we were trying to target. That is the background to this and that is why I am abstaining because I will call for the appel and it will put the Members on record as to what their views are and how they then debate the main proposition. Other than that, Sir, I would like to thank everyone for their comments and, in particular, Deputy de Faye and the Deputy of St. Mary. Thank you, Sir.

The Bailiff:

I ask any Member who wishes to vote on the amendment to return to the Chamber. I ask the Greffier to open the voting, which is for or against the amendment of Deputy Le Fondré.

POUR: 1		CONTRE: 37		ABSTAIN: 1
Deputy P.N. Troy (B)		Senator S. Syvret		Deputy J.A.N. Le Fondré (L)
		Senator L. Norman		
		Senator F.H. Walker		
		Senator T.A. Le Sueur		
		Senator P.F. Routier		
		Senator M.E. Vibert		
		Senator P.F.C. Ozouf		
		Senator T.J. Le Main		
		Senator B.E. Shenton		
		Senator F.E. Cohen		
		Senator J.L. Perchard		
		Connétable of St. Mary		
		Connétable of St. Clement		
		Connétable of St. Lawrence		
		Connétable of Grouville		
		Connétable of St. Martin		
		Connétable of St. John		
		Connétable of St. Saviour		
		Deputy R.C. Duhamel (S)		
		Deputy A. Breckon (S)		

	Deputy J.J. Huet (H)		
	Deputy of St. Martin		
	Deputy G.C.L. Baudains (C)		
	Deputy C.J. Scott Warren (S)		
	Deputy R.G. Le Hérissier (S)		
	Deputy J.B. Fox (H)		
	Deputy J.A. Martin (H)		
	Deputy G.P. Southern (H)		
	Deputy S.C. Ferguson (B)		
	Deputy of Grouville		
	Deputy J.A. Hilton (H)		
	Deputy G.W.J. de Faye (H)		
	Deputy S.S.P.A. Power (B)		
	Deputy A.J.D. Maclean (H)		
	Deputy K.C. Lewis (S)		
	Deputy of St. John		
	Deputy of St. Mary		

The Bailiff:

The debate returns to the proposition of Deputy Le Fondré. Deputy Ferguson I had you down to speak but you do not wish to speak? No. Deputy Scott Warren.

4.3 Deputy C.J. Scott Warren:

Sir, I will not be supporting part (b). I presume they are going to be split.

Deputy J.A.N. Le Fondré:

I am going for one vote on this, Sir.

Deputy C.J. Scott Warren:

Well, Sir, I have concerns because it is, as Senator Shenton said when he spoke earlier in this debate, that this part (b) does tie the hands of a future States Assembly who may decide that they wish to come with a proposition to exempt food and/or domestic energy from G.S.T. but they would then have to take away amounts from income support and lower exemptions and, thereby, raise people's tax bills. I think, Sir, that is quite a concern and I would ask the proposer if he would reconsider that because that would be - as I read it - an ongoing tying-of-the-hands of not just one States Assembly but 10, 20 however many years ahead. Sir, I did want the Deputy of Grouville's proposition to succeed last week but, as we know, it did not, and I would certainly say, Sir, that Members should now support part (a) of this proposition. Sir, I hope that this proposition will be supported and I very much hope that the proposed financial measures will help most sections of our population, maybe, Sir, apart from the very wealthy. It concerns me that for many people with young families and particularly the elderly, it is the fair factor regarding bills that will mean that heating will be turned down or off. Sir, my late mother was not a wealthy lady but she was not hard up. She lived off interest on some investments. However, about 8 years ago she became unwell and her doctor told me that she had developed mild hypothermia. He said it was very important that she kept one room, in which she lived during the day, warm all the time. It is my

understanding, Sir, that when an elderly person suffers from hypothermia they no longer feel the cold, hence the further danger to them. Sir, it is for this reason that I would say that it is not just people on income support or people just above income support, but right across the board. I mean, as I said when speaking on the amendment in England, I believe there is not a means testing regarding help for heating bills. I also believe that we need to support this proposition because of the high cost of food but of the 2 I have to say I think the domestic energy... the fear of the cost of bills which you are not paying for as you go to a shop, they arrive through the door and you are then faced with a prospect of a bill which you may not be able to afford and, particularly, as I have said, the elderly - right across the board - unless they are extremely wealthy there could be that fear factor. So, Sir, I wanted this split because I do believe that part (b) ties the hands for ever more of States Assembly while G.S.T. remains but I certainly hope, Sir, that Members will support this proposition and, in fact, I urge Members to support it. Thank you, Sir.

4.3.1 Deputy A. Breckon:

I think Deputy Ferguson said earlier that people are free to spend as they wish. I would suggest maybe in some areas they are not because they are a captive market. If it is light and heat and if it is basic foodstuffs, perishables, then are they free to spend as they wish? I would suggest they are not. For me, Sir, the comments from either the Minister for Treasury and Resources, the Minister for Social Security or the Council of Ministers are deafening, absolutely deafening. There has been rumour that this is some sort of composite motion; that some people have worked together. Nothing wrong with that but perhaps they should stand up and say so. We have just debated the Annual Business Plan, Sir, and I have just gone through the bundle and the Council of Ministers have attached comments to virtually... well, to every amendment, even 4 lines, 5 lines there of Deputy Southern's lodged on 12th September. They did not have time? I do not think so. What we are talking about, Sir, and we avoided in the last week or so, is we are talking here about the device that is going to be put in place and paragraph (b) is a trap because if we agree it now then there will be comments in future: "We cannot do this. We agreed that. £X million has been done." No, the block will be there. So we must decide whether it is morally acceptable to tax basic essentials like food and light and heat. That was a score draw. We do not go to extra time. We have a process and what was done was done. But I believe - and probably other Members do as well - that will come back to this House, but if we put paragraph (b) in the way then, in effect, we put the block in the way and then the comments will be there if some Member proposes to do it: "Oh, no, this is going to happen. We have done that." No mention of the fact that some of the tax allowances have not kept pace with inflation. There is nothing about that. So, in some instances, people are only getting their money back anyway and if you look at the level of personal taxation it proves that. But if you look at food prices some of them have gone up between 50 per cent and 100 per cent. They have not just gone up for people in a certain bracket. They have gone up for everybody. Okay, we can say: "Well, some people are going to benefit more and it does not have quite an effect on them" but then how far do we go to do that? Sometimes we can make it very difficult. We have got regulations. We are talking about a G.S.T. bonus. That thing came at the last minute, as a sort of white flag, because I think, between the Minister for Treasury and Resources and the Minister for Social Security, they thought: "We must do something. We have these people in a band, just above the income support, and we must do something." Well, we can do something if we revisit and that is why I was concerned, I was not sure what the ruling was on discussing a proposition that was not before us, which this was not when we discussed the exemptions from the Deputy of Grouville, and people have lots to say about this and it was seen as a backstop, there is another way. But I do not see it that way. I still think we are morally bankrupt if we are taxing basic essentials, and I think somebody said: "Well, if we had gone with that, then it is there for good." I do not have a problem with that and I think it is the right thing to do because, unlike Deputy Ferguson, I do not think many people are free to spend exactly as they wish. There is the principle, Sir, which I have discussed and the other thing somebody else mentioned, we talked - or somebody did - about the U.K. I can say that in the U.K. without being means tested up

to £300 is available virtually to every pensioner household - it depends on the age, whether they are single - up to £300 without a means test. I know it is a considerable comfort to senior citizens at this time of the year because they do not have to worry about the sort of things that Deputy Scott Warren has just mentioned: whether they can turn the heating on; whether they are sitting with extra clothes on. It is that comfort and it is given, along with other things. When we look at the basics we can say: "Well, pensioners here get a lot more as a basic pension, £172 something, as opposed to a lot less there in the U.K." But where does that go? The pound price parity has never proven, the benefits of the pensioners, and I do not think this is the right way. I will be voting against this, Sir, because I believe at some time in the not too distant future we should re-debate the moral issue of taxing basic essentials. This is a convenient way for some Members to avoid that and take an alternative, and I do not see it as the right way forward. We should revisit that and we should give the benefit to many of those on basic income. Some others will benefit as well but I for one can live with that. You can only eat so much and you can only use so much light and heat and not everybody has got a swimming pool. There are people, perhaps above some of the thresholds, who are suffering. Basic stuff: oils, margarines, fats, pastas, bread, wheat, all of that has gone up considerably in the last 12 months and there are people above thresholds that perhaps will not see the benefit of this. The other thing is we cannot keep doing it and - as I think Deputy de Faye said - if we put the market down and remove it off basic essentials then some time in the future I think that is the way forward and this is not for me, I shall be voting against it.

4.3.2 Deputy G.C.L. Baudains of St. Clement:

I was seriously concerned about the complexity of the previous exclusions that were brought forward by the Deputy of Grouville following the U.K. example, and I believe this proposition is both far better and simpler. I am slightly confused about part (b), especially having listened to Deputy Scott Warren because unlike the concerns which I think Deputy de Faye and myself expressed on the part of the Business Plan when the environmental issues were discussed and I perceived a danger that we might be putting environmental initiatives in place before the funding arrived. Part (b), as I understand it, is the complete opposite of that. As I understand it, it means that we will cut back the assistance if ever the G.S.T. is removed from energy or food which, to me, makes perfect sense because otherwise if we did not do that then, in the future, there would be the possibility that we would be giving twice instead of once. Maybe I missed something there but that is my understanding of (b), and I think I will be supporting (a) and (b) in its entirety.

4.3.3 Senator L. Norman:

I have been looking forward for something positive to say about this proposition but I cannot. It really is a most awful proposition when you stop to think about it. It says: "Take the money that the tax man is collecting from G.S.T. on food and domestic energy, recycle it, administer it and then give it back to the people that it has been taken from in the first place." That is what we are being asked to do. Now we know, or we should know if we have any political nouse about us at all, that even if G.S.T. is here for quite a long time, there is no doubt - no doubt in my mind - that G.S.T. will be removed from food, one way or another, early in the next session of the new States. There can be no doubt about that at all. Even we, the diehards, nearly did it. The new States will do it and, possibly - even probably - on domestic energy as well. What happens when that occurs? A number of speakers have already mentioned part (b) of this proposition. If that occurs, if G.S.T. does come off food and/or domestic energy income support will go down; people on low incomes will have their income support reduced - they will have money taken away from them - and tax thresholds will be changed negatively as well. Just how popular will that be? Can we really imagine a States Assembly going along with that, reducing lower incomes people's income support? It simply will not happen. Even today we are aware - and we knew when we introduced it - there are people receiving more income support than they should because of the allowances they were getting before, and we have protected them from any reduction in their welfare, their income support. Not only that, we have extended the period that these people - who are getting more

money than they should do - are going to be protected. Can we really imagine the States saying: "Oh, we have removed G.S.T. from food; we are going to cut people's income support"? It will not happen. This proposition is so wrong, so messy. It drives more people into the welfare income support system than ought to be there. It discourages self-dependency. Because no States will have the bottle to reduce income support when G.S.T. is removed from food and domestic energy it will cost much more in the long term. If we really are concerned about the impact the high cost of food and the increasing cost of food is having, and the increasing cost of domestic energy, then we should have supported the proposition a few weeks ago of the Deputy of Grouville, and what we should do is, the new States adopt the proposition that Senator Shenton has promised to bring early in the new session to do exactly that. This really is a bad, messy, expensive proposition and should be rejected.

4.3.4 Deputy S.C. Ferguson:

Deputy Breckon mentions captive markets. I think that is a bit of a red herring because captive markets are just a question of scale. They can apply to villages, parishes or even countries. We do hear him talk about the moral issue. Well, in the debate on the Deputy of Grouville's proposition, we were told that most of Europe taxes food and that the U.K. is going to have to fall in line. It is not taxing food at the moment under transitional provisions. I would be glad if somebody would correct me if I am incorrect on that. These States, as other States before them, have had problems in prioritisation. They also have problems in realising that we cannot do everything and we have not got a bottomless purse. Part (b) merely reinforces best practice. We cannot afford to give money away with both hands and part (b) ensures it. Members know my opinion of marginal relief. A one per cent drop in marginal relief will cost £2.2 million. It will achieve the same effect for middle Jersey as dropping 3 per cent on food and, at half the price, I think it is value for money. This goes to the people who are neglected, middle Jersey. I think the important thing is we must use our commonsense. Part (b) makes sense. I will be voting for the proposition in its entirety.

4.3.5 The Deputy of St. Martin:

I was one of those who voted against the Deputy of Grouville proposition. G.S.T. is supposed to be simple and we are trying to keep it simple. There have been a few exceptions but, by and large, we have got a fairly simple system now. What we will be doing by supporting Deputy Le Fondré is we are keeping it simple. So I will certainly be supporting Deputy Le Fondré. Just to Senator Norman - who has now left - you can look at the taxation in 2 different ways. I would say that you are taking the tax off from everybody but giving it back to those who most need it. So I would reverse what Senator Norman was saying. But, certainly, I think G.S.T. is here to stay. I do not think it is likely that it ever will be removed off food or energy unless the States agree, and it will need a lot of support to change it. Because if we are trying to keep everything simple, keeping the tax low, quite clearly, food and energy will remain, but those who need support will get it. On part (b) I again will support it in its entirety because, again, if the States were ever minded to take it off food and energy no doubt the States would then be minded to bring a proposition to rescind what we have got here on part (b). So what I would ask Members to do is to certainly support what Deputy Le Fondré has in front of us in its entirety.

4.3.6 Senator F.H. Walker:

The bottom line here is that people are suffering, not just the least well off but, as many other speakers have said, people in the middle income brackets as well. They are suffering from unprecedented increases in food and fuel; nothing to do with Jersey. International price increases result in suffering among many people in our community. The question today is: do we do anything to help them or not? That is the basic question that we are facing today. Sir, this House just 2 weeks ago rejected the removal of G.S.T. from food or fuel and rejected an alternative package brought forward by the Council of Ministers on fuel. My impression was that a significant number of Members who voted against the Deputy of Grouville and the Council of Ministers did so

because they favoured Deputy Le Fondré's proposition, they favoured the method he proposed to help the people that we need to help. Now it is this or nothing. It is crunch time. Do we do something to help people or do we not? Because that is the very simple choice, essentially, that is in front of us today. It is something or nothing. We have run out of options. We have rejected the removal of G.S.T. so be it, this is now what is put up in its place and we either take this or we say to the people of Jersey: "Sorry, we are not prepared to help you. Despite these unprecedented increases we are not prepared to help you." As far as part (b) is concerned, I absolutely agree with the Deputy of St. Martin and Deputy Ferguson, it is a necessary safeguard. The Deputy of St. Martin is quite right, it does not bind the hands of future Members; it does not bind the hands of a future States because the rescinding motion could be brought, an amendment to a proposition to remove G.S.T. from food or whatever. Those who have said: "Oh, well, G.S.T. is going to come off food next session anyway" how do they know? How can they say with confidence to the people who are suffering price increases - beyond anyone's imagination - now: "Oh, do not worry because G.S.T. will come off food and maybe fuel next time around." When and what guarantee is there? Well, the answer is: we do not know when and there is no guarantee at all. These people need help now, not a vague promise of help at some point next year. Sir, can I just add - throw my opinion in to the conspiracy theory - I find it absolutely unbelievable that this has been allowed to grow in some Members' minds. What it says about the state of their minds I just do not know. I am among those who are very disappointed that Senator Shenton decided to put the knife between Deputy Le Fondré's shoulder blades - and the Minister for Treasury and Resources and the Minister for Economic Development and all his colleagues of the Council of Ministers - decided to push the knife in so hard, and that he has now absented himself from the debate. I find that absolutely incredible. Deputy Le Fondré is owed - and so are others - an apology because this conspiracy theory is untrue and absolute rubbish. **[Approbation]** So, Sir, let us be clear, a vote against this is a vote in favour of saying to the people of Jersey: "We are not going to help you. We are not prepared to do anything to assist you at a time of unprecedented price expenditure pressure." That is the decision before us. I have no doubt which way the House should go. We need to help, we have to help. Any good government in our position who can afford to help, which we can, would help. Sir, I urge Members whole heartedly to show the people of Jersey that we do understand their problem, we do care, and to vote in favour of this proposition.

4.3.7 Senator J.L. Perchard:

I do not want to rehearse the old arguments of last week, but it was a tough a decision for many of us, particularly given the emotive nature of some of the contributions. I came down on the side of the most efficient method, well, knowing that a very efficient method of assisting Jersey people on lower incomes was available the following week and here we are today. The most efficient method was available to me, so I came down on the side of not supporting the proposition to exempt food from G.S.T. but to support, wholeheartedly, the option that would be in front of us in a week's time, which is today. I suggest to Members that this debate has been had. We all know this is the right thing to do. We have been told clearly by Deputy Le Fondré the proposition comes as a whole, as a total, and that there is no need to continue this debate. The debate has been had. We must - as the Chief Minister has just said - do the right thing and support those people with this method which I happen to believe is the most efficient method of supporting them, to maximise the amount of monies that will be paid to people in need. We have had a month of debates, we are all very busy. We know what we are going to do on this. Let us just do it promptly and move on.

4.3.8 Deputy J.J. Huet of St. Helier:

Sir, I think you might remember - I think it was called in my younger days the word K.I.S. (keep it simple) - just with one "s". Just say the U.K. in the next couple of years decides to go in with Europe and charge tax on theirs. We would certainly have looked a load of Charlies in here because we would then be trying to run it all on our own against the rest of Europe. Now, to me, does that make sense? We are supposed to be sensible people in the Chamber and trying to look

after the best for our Island and for the people in it. So, I have to say that I rise in support of this proposition because G.S.T. - although it sounds great and it could have been - I do not think we can take the chance on it because we could have been left with a lot of egg on our face. I really truly believe that more people will benefit from this method, especially those - what I call - "the middle bracket." They are always the hardest hit. They are not poor enough to claim any supplementation, but they are not rich enough to say: "I do not care. It does make any difference to my food basket." It is always the largest group, I think, who pay the most. I think it has been proved they pay the most in taxes and everything else. They are always the hardest hit. I think this is a way that we can balance those scales to make it much fairer and to give them some of the benefit instead of always, always taking from them, and I believe that we should support this wholeheartedly, get it up, get it running and get on with it. K.I.S. Thank you.

4.3.9 Senator T.A. Le Sueur:

When I spoke 2 weeks ago in the debate on the Deputy of Grouville's proposition I said it was a difficult choice between her proposition and that of keeping it on these lines, but I did make it clear that I felt we had a duty to the public in these times of rising food and fuel costs to do something, and that if we did not do the one, then we must do the other. Well, having not done the one, the time has now come for the other and I give this my wholehearted support. Just for further clarification, Sir, it is not a Ministerial plot between myself and the Assistant Minister. This is entirely of his own construction. But, Sir, trying to be more positive, what we have here is a mechanism which involves the Minister for Social Security and myself working together, and I will pledge here and now to work with the Minister for Social Security, and I am sure he would echo this, to do this with the maximum of efficiency. We could go out and consult for years but I think the real urge is to help people and help people now. The advantage of this is that the 3 mechanisms set out in the proposition: income support, the food costs, offset bonus regulations and income tax allowances, are already in existence. The legislation is there. All we have to do is amend the rates and that can be done by a relatively simple mechanism. The tricky bit is going to be to get the balance between the income support, the food costs and the income tax to see who it helps proportionately. But the proposition makes it quite clear, it is in such proportion so as to provide a benefit to as many members of the population as practicable but to provide proportionately most benefit to the less well off and vulnerable in society. Well, that is clear enough to me. I hope it is clear enough to all States Members.

The Deputy of St. Martin:

Sir, could I ask the Minister: he says it is a relatively easy job but how quickly could it be done? I think it would be useful for the House to know.

Senator T.A. Le Sueur:

My intention, Sir, will be to do this in the December Budget.

4.3.10 Deputy J.A. Martin:

I will not be brief. I just have a few points that I really think that I need to get across. Listening to the Minister for Treasury and Resources and reading the proposition - not the addendum the proposition from Deputy Le Fondré - the proposition states no amount of money. It does under 3 say: "Provide proportionately most benefit to the less well-off and vulnerable in this society in Jersey"; to benefit. We had a speech from the Chief Minister, Senator Walker, and he says all we have got left today is this. Price increases have gone out of the window now, but what does this do? I mean even as quickly as the Minister can come back with the budget, the extra tax that was put on last year or the rise in the ceiling has not hit anybody yet this year. The 3,500 households that you just passed yesterday extra transitional money on, on income support, will not see one increase in their monies even if income support families are allowed it. They never saw it in May and they will not see it this time. Because the letter stated: "You are already protected. On

transition your components went up but you will not see any money.” So, let us remember that is 3,500 households already on transition on income support - only transition - who will not see a penny under this scheme. Deputy Ferguson is all for... she thinks it is quite simple to give back marginal tax relief. Again, this will not hit till next year. We had a debate the other day in the coffee room and she struggled, apparently - as I have struggled and many have struggled - but tell me how people struggle when they have not got the money in their pocket. They have to wait from January to September. This is the middle lot. I am talking about the absolutely fantastic draft food cost offset average G.S.T. bonus of Jersey P.90 that we passed. I will go into that a bit further in a minute. But if you have not got the money in your pocket between those 9 months of the year, you have only got between 1st October and 15th December to claim back a bonus. Sounds all very good, does it not? Well, not if you have not got the money to spend in the first place, and you are scrimping and saving. We have got down here a few pounds. I do know one Member in the House who told me after the debate, they voted the way they did against G.S.T. because people might be able to buy a McDonalds and get G.S.T. free on it. Well, hi ho, give them a good Christmas bonus they will treat the whole family to a McDonalds, will they not? I mean that is some sense of absolute voting. I will not mention the person’s name. They can speak for themselves because I am sure they will. Then what do we have? We have P.90, and P.90 was cobbled together. I have the transcript. We tried to send it back in the Third Reading. Deputy Ryan did not make a speech until the Second Reading but he said: “What we have here is a dog’s dinner.” The Minister for Social Security knows it is a dog’s dinner; the Minister for Treasury and Resources knows it is a dog’s dinner because everybody claiming this bonus has to let each Minister know about their income. Now, I know, and everyone else knows, many elderly people - and I am not just talking about elderly - who would not fill in the X-amount of pages for Social Security just to get D.T.A. (Disability Transport Allowance) and to get it under transitional arrangements. They absolutely refused. But what we have got here under P.90, this is not clarification. These are the words of Social Security. Oh, it is Treasury and Resources. I did have trouble finding it because it is not a Social Security proposition, it was brought by Treasury, but you apply to Social Security and I have got the draft form. But in their own words, Sir, it starts: “Based upon the known numbers of households in receipt of benefits and estimates of the numbers of households without tax liabilities, there may be up to 6,000 households.” So we have not just sent 6,000 households into income support or a benefit, no, of course we have not, because this is different. Because this is for your food and your domestic fuel and you should be proud to go down to income support. It is based on the Income Support Law, Sir, and I will tell you why because it clearly states as the 2007 Social Security Law, and I shall read out the terms of why and how you can claim: “Qualifying: [it is really simple when you start reading it.] A household qualifies for a bonus in the year if it meets all of the conditions in paragraph 2 to 4 in relation to that year.” That is if you have not been on income support the previous month or you have not paid a part income tax or your partner. Now, it gets very difficult when you may have a partner who is away or you start a new relationship. You are totally out of those 6,000 households. You cannot claim. You are still not in a tax bracket; you are not in income support but you have muddied the waters for this free bonus we have come up to. Oh, yes, it relates to any 7 preceding days on the day on which application and the bonus was made. The third condition is that at least one member of the household - this is the one where I am telling you it is the income support law re-written and I went through that very well - the third condition is: “At least one member of the household is an adult on the date on which application for the bonus is made and, subject to paragraphs 6 to 8, that has been an ordinary resident in Jersey for a continual period of 5 years immediately preceding the date on which application for the bonus is made.” So that is simple again, is it not? If you have got children just returned - you know, we are dying to get graduates back, married, buying a house - they do not fall into this bonus. They do not fall into the tax and they certainly are not on income support. That is what we all wanted. This is all we have got left. You really have to be careful because the... and just further, Sir, I will go on, on the schedules. I have a copy of the form but I think I have only been given one side of it because it does not ask about any children or anything else, but in the law this is what... without

prejudice, in subparagraph 1 and paragraph 2(1): “The Minister may require the application to contain at least the following information.” They are all quite reasonable really: “The address of the household; the relationship to each adult member of the household, including applicant’s title and full name, date of birth, social security, relationship, employee status.” Now that is when people start worrying because what that means is: “Bring down your wage slips and we want to see your wage slips.” For what? It is £50 this year. It may go up but I do not think it will - even if we pass this today - be able to go up in time because the first application is 1st October, as I say, to 15th December. Again: “Confirm that the person’s period of ordinary residence in Jersey is ...” and this is a lovely one for all the... you know, you are not putting anyone into the benefit system: “And details of a bank account if available into which the bonus can be paid, including the name of the bank; the sort code; the account number; the name of the account holder.” If, as some forms, you have to get this countersigned, say it is your wage slip countersigned by your employer, it is very, very good that we are sending another 6,000 people to income support. Not my words, Sir. This is the document written by the Minister for Treasury and Resources. As Deputy Ryan said, cobbled together the last time, before the Deputy of Grouville’s debate on G.S.T. So, have we improved everybody’s lot? No. As I say, 3,500 households already getting transition will not see a penny, whatever you decide. You up income support £3 a week, they will not get it. The Minister for Social Security may have a different understanding. I have the letter to prove it. Anyone who was on transition in May never saw an increase in their purse or their pocket to spend on food. Secondly, great, I love it when people sit in this House and say: “Spend it today and we will give you it back tomorrow.” I remember a debate when somebody said: “Why could the supermarkets not open on a Sunday before Christmas?” One Constable, he is no longer a Constable, he lost his seat after that, said: “Well, why can they not borrow out of the bank on the Saturday and go and shop or the week before? They have got all week. If they are not being paid until the Saturday why have they only got to shop on a Sunday?” Well, no, they did not have money in the bank to borrow. That is what you are asking people to do, you are asking people to go out and spend money - 6,000 at least who are in the middle households - and then come under this very simple system where they might have to go to their employer - they probably will - and provide bank accounts. I did think at one point - in a draft law - they were trying to get people to keep their shopping receipts, but I am glad to see that is not in it now. But, as I say, Sir, we are told it is all we have got. Unfortunately, it is all we have got on the table and I do share Deputy Scott Warren’s total frustration that we have to vote on (b) and (a) together because, you know, this is people who are absolutely adamant in this House - in this House - they may not be in the House in December. I might be one of them but I am not tying the hands of anybody else. If people want to take away benefits after they have given them ... and I think it was Deputy Breckon who said that the income tax law for low incomes was frozen for 4 years - 4 years - and it had only started kicking in again last year. It was brought back in 2006, started to kick in, in 2007. So, we are already well behind with the tax breaks. The absolute concept: I think it is totally immoral to say: “Spend the money today and if you abide by all these laws ...” I mean this law even goes so far as to determining officers appeal to tribunal and then appeal to Royal Court for £75. I do not know who is having a laugh here. This is keeping it simple, Sir. I mean, I am sorry, they said G.S.T. was not simple but I can assure you those who did not vote for the G.S.T. last time, who may vote this time, and as Senator Shenton said, it is not about pride. Some people if this was easier, if it was automatic some people would obviously and do need this money, but it is not. There are a lot of people out of those 6,000 ... and that says now between the income support and the tax thresholds, when tax thresholds rise I would say that would be probably nearer 7,500 households. It is not a lot of money and I really am waiting to see because in this proposition it is £50 this year for a household. It makes no differential if you are a little old lady or man or young man/young woman living on their own, to the household with the 3 or 4 teenagers in it. I can assure you - and I know here most people, if they have not got teenage children they have got grandchildren and they know that these 2 cannot be the same. Under the Deputy of Grouville if I was spending on food for 5 I would get that reduction back. Under this proposition I am a household and I get £75 next year, and because it is

only part year and G.S.T. has only been in since May, it is £50. Deputy Le Fondré very clearly, as I say, marks out the 5 point million something. It is not in the report. There is no amount of money and in his addendum he emphasises -- and I just have to finish again, Sir, with this. He has brought an addendum and he sets out some lovely figures where we can help a single pensioner; someone in the second quintile and someone not paying tax or receiving income support, but then he makes the remark: "I, therefore, give some numerical illustrations below. [It is actually overleaf.] But I would add the strong caveat that these are just illustrations and that any particular decision would under my proposition be in the hands of the Ministers for Social Security and for Treasury and Resources. Obviously, if Members were unhappy with any proposals brought by the Ministers they could make amendments at the time." Well, I just think we are amending one dog's dinner after another. I have not had the comments from the Council of Ministers to say that they agree with the amounts of the Deputy's proposition. At the moment they think only £50 is good enough. This adds on - I will just have to turn over, Sir - to the £70 on the better of the 2 assumptions, there will be the £75, £3 a week on income support plus £156. Now, is that plus £156 or is the £75... £156 instead of the £75? I think we all need to know this, Sir. Why do we not know any of this? Because not one Minister, Treasury Resources, the Chief Minister or the Minister for Social Security has bothered to explain. Is this additional money? Nowhere here tells me it is. As I say, the biggest point is it is not even set money. The Ministers can go away and say: "Well, that is quite a bit of money, £5 million." It is not in the proposition. Where can we whittle this down? Do it there, can we do it there? We will take it back. Someone will mend it. How long is this going to take? We have just had the Minister for Treasury and Resources say he could bring it in this budget. Who is going to scrutinise that before we know it is going to the right people? Nobody is going to have time between now and the next budget and the next House coming in. So I am sorry, Sir. I really need to... I am told this is all I have left. Actually, I have my moral conscience and I know the way I voted. It was not morally. It was not just: "Let us look at this as an account and then let us find out the best way. I have been adamant all the way along against G.S.T. and I will go with anything if it is cobbled together, knitted together or even brought as a last-minute amendment by the nice Deputy Le Fondré, who is himself, as he always thinks, as first as an accountant. He has not done the work. I cannot, at the moment, support this amendment. I will if I am in the House. I have no problem. I know where I have always stood on food. I give it people as they spend it, not come up with some highfaluting scheme that even, under this... and remember the amounts: 3,500 households on income support transition, will not see a penny, 6,000 or more households in between tax and income support will have a very, very hard job to claim back, what? We have got no idea because it is not in the figures. It could be sent... if they give any false information they could be liable for a 7-year jail sentence plus a fine. Very simple law we have there. Thank you very much, Sir.

4.3.11 Deputy K.C. Lewis:

I supported the Deputy of Grouville's proposition to remove G.S.T. on food and energy and was very disappointed when that was lost. Should it come back to this Assembly in the future I would be more than happy to support it again, if I am in the Assembly. But I have been going backwards and forwards through P.138 to see if there is anything in here that cannot be overturned in the future. It does worry me greatly that it seems to be forgotten that people in Jersey do not wish to be on income support. It is not a badge of honour and the people of Jersey are very proud. I have visited constituents who are suffering and I said: "Well, have you had your income support forms?" You open a drawer and there they are. Yet people just really have to be persuaded to claim their income support as a right and not as some kind of handout. I am very worried about this, Sir. I am not sure if I will support it or not. I remain to be convinced. Thank you.

4.3.12 The Deputy of St. Mary:

Sir, the Chief Minister said we had a decision here to make, whether to help or not to help. Well, I certainly believe I have made my views clear. I believe we do need to react to the global pressures

that are affecting Islanders so deeply. But, for myself it is the method of how to deal with the problem, though it was difficult to determine. For me the choice came down simply to increasing bureaucracy or maximising the amount of money available to help. To add a little clarity, it is very simple. For every pound we save on bureaucracy or administration or collection, we have that pound to spend in giving targeted assistance to the people who need it. I believe that this proposition will utilise the existing mechanisms, not just of income support. People seem to be focusing on that. But do not forget the important pre-existing frameworks for income tax. So I believe that this is an excellent way of maximising the use we put our resources to and of targeting and helping the people generally across the board. Thank you.

4.3.13 The Deputy of St. John:

One of the things that is perplexing me about this whole debate is: where was the Council of Ministers on this back when we introduced G.S.T., when at that very moment in time predicted increases in commodity prices were on the way up? I am surprised that the Council of Ministers did not bring forward the proposal along the lines of what Deputy Le Fondré had brought forward. As a consequence, a lot of what Deputy Martin was saying about information and opportunity to scrutinise and debate and so on has been lost because it has been done on the hoof, to a certain extent. I do not think it should have fallen on behalf of an Assistant Minister to have to do this. Fortunately he had superb support, by the sounds of things, from the Treasury Department and was able to put something together that was quite useful for us today, but, nevertheless, not as in depth as Deputy Martin is suggesting. I accept that as a criticism and I think she is quite right. But it is all we have got at the moment, as the Chief Minister was suggesting. This is an opportunity. As an Assembly we can redistribute wealth through a taxation process and policy and this is one of those opportunities. We should use it wisely and take this opportunity to redistribute that wealth. We have that chance. We should not miss it. It is not the last-chance saloon. I am sure other things will come forward in the next session. But with the issue on item (b), I have to say that I do hope that maybe that might negate the prospect a little bit of Members bringing populous amendments to the G.S.T law in the next session because that is what they would be. We have a model. We have a formula that works in a small jurisdiction at a very low rate. The Minister for Treasury and Resources is committed. He has made the commitment and tied his hands to keep this rate at 3 per cent, so why should we not commit ourselves here in the manner that item (b) there is suggesting? He has made that commitment. If we play about with this, the whole G.S.T. debate will kick off again and I can guarantee to Members that the rates would increase. This is an opportunity to redistribute it without affecting that formula that the Minister for Treasury and Resources has evangelised about for several years now. Let us not change that formula. This is an opportunity to do that, yet still redistribute to those that really need it. So I would suggest to Members they grab opportunity and go with this that Deputy Le Fondré has brought forward. But I must express my disappointment in the Council of Ministers for not getting there first. Thank you.

4.3.14 Senator P.F. Routier:

I am not going to focus on all of the various thoughts that people have about what the Council of Ministers should not have done and the theories of intrigue that we might have been up to no good just to get to where we are today because I do not think it worth discussing. There are a couple of matters which Deputy Martin raised, which unfortunately seem to - from my perspective - give the wrong impression about people on income support and transition. People who are affected by transition, the Deputy said that there was nothing in it for them. Well, there is, because that is exactly what we have brought forward and which the States have approved: the G.S.T. offset mechanism. Anybody who is in transition applies for that support through the offsets regulations which the States have already approved. So, please accept that as the way forward for those people because we know that, as the Deputy has highlighted, that was a necessary move to make to ensure that those people were also protected. The Deputy also made a comment that there is nothing in it for graduates coming back to the Island, they have to have been here 5 years. Well, that is not what

income support does. Income support recognises that students who leave the Island retain their rights to being able to claim income support when they return the Island. If they are part of a local family and they have gone off the Island, they are considered to be local and they can apply for income support on their return. So I am afraid the Deputy has jumped to the wrong conclusion with that suggestion. The G.S.T. rebate scheme has been approved by this House. It is a mechanism which, although the Deputy was referring to the legislation which it is tied to for income support, the actual application for the G.S.T. rebate is a single sheet of paper and it is a very simple mechanism to apply for it. There will be obviously a requirement for my department to check the details from within our own department, which we do whether somebody is receiving income support or not, and also for the Income Tax Department to clarify whether that person is getting tax rebates. So it is just a single sheet of paper which somebody makes an application for. With regard to the amount, I recognise and I think this proposition requests us to look at that amount. That is what will happen. The Deputy has suggested that there might not be sufficient time because the applications are going in and the application will be closing down. As long as the application gets in before that period, I am sure, with the will of the Minister for Treasury and Resources, we can apply an earlier increase to that figure of the £50 for this year. I will be endeavouring to ensure that we can get some agreement on that with the Minister for Treasury and Resources. This proposition requests the Minister for Treasury and Resources and the Minister for Social Security to bring forward the necessary amounts to make this happen. I want this to happen because the States have got into a position whereby we have a duty to protect people. We had the option of taking G.S.T. off food and we know the outcome of that. I supported that at that stage and I regret that we did not get to that position of taking the G.S.T. off food. But we have a duty now to protect people and I wholeheartedly support this proposition and I think we must go forward.

4.3.15 Senator M.E. Vibert:

In a similar vein I voted for G.S.T. to come off food but it did not succeed. What I am concerned about is that by not voting for this proposition we are voting for jam tomorrow without being sure there will be any jam, because I want to help as soon as possible because people are having to put up with higher food and fuel prices now. There is no certainty when another proposition to remove G.S.T. off food would be debated in the new Assembly and there is no certainty it would be approved. Even if it were approved, how long before it would be able to take effect? Not this winter, that is for sure. Let us vote for what we have before us, which is jam today and not put it off in case there would be better things tomorrow that are so uncertain. Let us help people as soon as possible. I trust the Ministers to get on and deliver things as quickly as they can, as suggested by this proposition. If we really want to help the people of the Island this winter, this is a way to do it.

4.3.16 Connétable G.W. Fisher of St. Lawrence:

I think one thing we all seem to be agreed upon, at least all those who have spoken, is that we do need to give some help to people with the difficulties in the increase of price of food and domestic energy. So I do not think there is any doubt about that. I might be wrong. It might be that there are others who have not spoken who are absolutely against that idea but I do not believe that is the case. So, what are we talking about? We are talking about the possibility of giving some help based on this proposition, and only based on this proposition, because this proposition is talking about and requesting the Minister for Treasury and Resources and the Minister for Social Security to bring forward for approval the necessary legislation, et cetera. So, in other words, this House will still debate the detail of what is going to be given in the way of help. So I do not think we need to worry now about the detail. The other thing is that there has been discussion, and others have mentioned this as well, about lifting G.S.T. on food, zero-rating food. Now, that has been debated 5 times and maybe will be debated 6 times, 7 times, 8 times; I do not know how many times, and it may still not be approved. That is sometime in the future and may not happen. We need to do something now and we have got in front of us a proposition which will help to do that. It is the only thing we have in front of us, as others have said, and do we want to just leave it on the off-

chance that maybe sometime in the future something else will be done? Even if we did zero-rate food, it would not benefit people as much on the lower end as much as this could do, and it certainly would not do it as quickly as this will do. It would not be as well targeted. So I think we have little choice but to support it. I am very mindful... I think it was Deputy Troy said in the last debate that he was concerned that if we did not vote for zero-rating food, we would also vote against this today. Well, he did not know it was going to be as late as today but some time away. Of course, the concern was: what would be the result of that? Well, we would do absolutely nothing. This is the time to do something. We have got an opportunity. We have got this proposition in front of us. Let us get on and do it and stop talking about it but press our buttons "P." Thank you.

4.3.17 Deputy P.N. Troy:

Sir, the Constable is absolutely correct. In the last debate a week ago I did say that we were in danger of doing nothing through rejecting both the Deputy of Grouville's proposition and then possibly Deputy Le Fondré's. I was worried at the beginning of this debate that maybe we would be looking at the proposition coming back in the future, reiterating that view put forward by the Deputy of Grouville, which I did support. I was concerned that we might end up paying for this twice. Now, part (b) of the proposition does seem to protect that. But, as has been said by some members previously, if a new proposition came forward in the next 12 to 18 months to cut out G.S.T. on food, to exempt G.S.T. from food, and if that were approved, we would, effectively, have had the same proposition, money allocated twice, and it would be very difficult to take the money away. Although Deputy Le Fondré's part (b) says that the funds would only stay in place within income support if an exemption did not come forward on the other option, but I think it would be very difficult, once you have given it to those on income support to take it away. I think that we could still end up doing the same thing twice. So there is a danger there. But I am going to support Deputy Le Fondré today in his proposition. It is the right thing to do. We will get something done and money will be targeted to those people at the lower end of the income scale, which is the most important element of this whole thing. So I urge Members to support Deputy Le Fondré, and, as to what comes in the future, well, we shall see another day.

4.3.18 Senator P.F.C. Ozouf:

I am going to support this proposal. I am going to be very brief but I do want to, for the record, deal with Senator Shenton's suggestion that I was somehow involved in this proposition. I say on record in this Assembly that I was not. I was away on holiday until 1st September. I am known, when I am away on holiday, not to interfere into departmental matters. My computer system and email system were off. I was out of the Island and I had nothing to do with this proposal. Deputy Le Fondré has confirmed that. I will be asking Senator Shenton - I regret that he is not in this Assembly - to deal with democratic issues. But I will ask him for a request that he withdraws from that. I thought the debate that the Deputy of Grouville, with well intention, was going to be won. I discussed with her the fact that I thought that it was going to be won. I, as an individual Member of this Assembly, voting on my conscience, was persuaded by the arguments about certainty, about the fact that the alternative was going to be immediate and that we could deal with the issue in a more targeted way. I was persuaded by the arguments and I stand on my conscience in making that decision. But there was certainly no underhand... and any suggestion, frankly, is casting aspersions on me and other Members of this Assembly. Sir, I just want to say 2 final things. I support this package of measures. But this is not, of course, the end of the road, in terms of dealing with the 2 issues of rising fuel prices and food inflation problems in Jersey. We have already asked the Statistics Unit... because there is concern about the sticky prices of heating oil, for example, they are quick to go up but they are not as quick to come down. We have asked the Statistics Unit this winter, to publish a lead table of heating oil prices to raise awareness for consumers. I know that that is something that Consumer Council also supports and no doubt will be assisting on. There is an unexplained difference in terms of food prices and consumer prices. I understand the public's

concern about G.S.T. at 3 per cent. Sadly, the U.K. Jersey price comparison about food and consumer prices show us that there is an unexplained much wider differential on that. I have certainly been thwarted in some attempts to deal with issues of retail competition, et cetera, and getting to grips with some of that issue but I will remain committed to deal with making markets work better, as lowering prices is just as important as giving people more income.

4.3.19 The Deputy of Grouville:

I think with the timing of this proposition I could be forgiven for thinking there was an ulterior motive to bringing best intentions to this House. If I were to be honest, I think voting for this is going to ease a lot of people's consciences in not voting for my proposition. I am disappointed that we have not had any comments from the Treasury Department and I am very disappointed that we have not had comments from the Chief Minister's Department. I think it is all a bit systematic of the rushed, almost fudged way this has been brought forward. I am disappointed as well in the proposer's initial speech that we are meant to be voting for this because it is just the "in principle", and yet we hear from the Minister for Treasury and Resources that if this is passed the changes could be implemented by the budget. The 2, I am sorry to have to say, just do not tally. Either we are voting for the in principle or we are voting for this proposition or we are going to have the changes implemented by the budget. It does not make sense. There are a lot of contradictory statements being made. I am not persuaded to vote for it because it is the only option left on the table. I am afraid that is a very bad reason for voting for anything. I am not saying I am not going to vote for it, and, far from a lot of people saying: "Let us just rush it through," I am still not sure how I am going to vote on this. But one thing I would say is, with these tax allowances tweaking with the allowances hither and yon, this sort of thing is not going to keep place with inflation. I want to help middle Jersey. There is support, I would not say a lot of support, but there is support and we have focussed very, very much on people on low income support. But I am afraid it is the middle Jersey, those just above that bracket that I want to help. I am sorry but I remain totally unconvinced that taking tax off people, putting it into the great machinery of bureaucracy, making them fill out 28-page forms and going to collect it back, is not what I would describe as K.I.S.S. (Keep It Simple, Stupid), as my colleague described to us: keep it simple. Take the money from them - the army of civil servants, Treasury, Social Security - and then give it back to them. I know of many proud Jersey people who would not go down and claim income support who would not go and get anything back and will be suffering with the implementation of G.S.T. on life's essentials. Let us not forget, by introducing G.S.T. on life's essentials, it is going to cost us. We are making an allowance for £400,000. My proposition was criticised because it is going to cost an estimated £300,000 in administration. I do not know where that figure came from. But that was just an estimate. But this - it is written in stone - is going to cost an extra £400,000, is going to be allocated to people on low income support. So that is a certainty. So, as I say, I am not convinced this is the right option. I might vote for it as an interim measure in the hope that a proposition will be brought forward to exempt life's essentials. I do not know. I am still undecided. I certainly know that Deputy Ferguson was talking about the freedom of letting people spend as they decided to do. But I am afraid to say, taking money off people, taking tax off people and then giving it back in some other way with a "Big Brother Knows Best" is not my idea of freedom as to allowing people to spend as they wish. Do not tax them in the first place. Do not tax them and that will keep pace with inflation. I am yet to be convinced about voting for this proposition. Thank you.

LUNCHEON ADJOURNMENT PROPOSED

Senator S. Syvret:

I propose the adjournment, Sir.

Senator P.F. Ropuier:

Could we not finish now because ... carry on then. I propose we carry on, Sir.

Deputy G.W.J. de Faye:

I think there are a significant number of people who still wish to speak. I would suggest we do take lunch.

Senator S. Syvret:

I propose the adjournment, Sir. There are still a number of people that want to speak.

The Greffier of the States (in the Chair):

Very well. The Assembly stands adjourned until 2.15 p.m.

LUNCHEON ADJOURNMENT

PUBLIC BUSINESS (continued)

The Bailiff:

I have noticed that Senator Syvret wished to address the Assembly but he is not here. Does any other Member wish to speak?

4.3.20 Deputy J.B. Fox:

Yes. I was just going to say I support this proposition wholeheartedly. Thank you.

The Bailiff:

Well, I call upon Deputy Le Fondré to reply. I am sorry, Deputy.

4.3.21 Deputy G.P. Southern:

I did flash before lunch and now, Sir. Once more into the breach. We are told today that we have a proposition before us, admittedly a proposition that has been brought at the last minute and with or without an amendment at the last minute. That it is all on the table and that it is a way of doing the job that we are all trying to do, which is to protect the low and the middle earners from the worst impact of inflation as we see now running through the Island. We are told very starkly, in black and white terms, that it is the only option. So, effectively, we must vote for Deputy Le Fondré's proposition. Well, that compares with the last time, last week... was it last? Yes, where we had the Council of Ministers solidly converted to the position of the Deputy of Grouville to deliver that relief by a completely different mechanism, finally accepting that exemptions on food were the way forward. How had they made that decision? They had made that decision collectively after having acquired some figures from Social Security to say: "Could we deliver this sort of package, Deputy Le Fondré's package, and, if so, what are the range of options there, what could we do?" Then examined it carefully in serious debate, and, lo and behold, the majority of the Council of Ministers said: "Ah, hmm", for any number of reasons, whether it looks administratively burdensome, taking tax off people then giving it back to a different set of people. As many people have pointed out, it is no way to behave. Or for other reasons they have come to the decision: no, despite the huge loss of face, because we have been promoting no exemptions, simple fact, for the last 5 years, despite that huge loss of face, we think the best option is taking the tax off food. They were going to come in and get behind the Deputy of Grouville's proposition. It is a logical position, a sensible position, and it could be delivered. Some Ministers broke ranks. Whether or not they had concurred with the original decision I do not know because we are not privy to the debate that goes on behind the Ministerial closed doors. However, I am going to believe that one of those Ministers was very much a significant player in persuading the Council of Ministers to go for the lot of faith, the: "All right, let us take the tax off food." He then changed his mind in the debate on the day and said: "I have got backbone. I am going to stick with my decision: no exemption, even on food." He then persuaded his Assistant Minister to adopt the same position. That is what I believe happened. The Minister for Economic Development is now faced with standing before the electorate, opposed to removing tax on food. He needs a bolthole. He needs a parachute proposition. That parachute

proposition was supplied at the last minute with no conspiracy attached, but it was supplied. What had been rejected by the Council of Ministers was now dragged out and resurrected by Deputy Le Fondré: a parachute proposition for those who wanted to present themselves as against exemptions on food and wanted to have a safety bolthole to go to. Never mind that that is not a sensible approach to what we are doing and that removing G.S.T. off food is the most appropriate way, that bolthole was provided. Here we are today debating that very thing. We are told there is no alternative. “Thank God there was an alternative last week” some people are saying. So we could safely...

The Bailiff:

Deputy, I am not sure the expression “Thank God” in that context is an appropriate parliamentary expression.

Deputy G.P. Southern:

Can I use the expression “Thank heaven,” Sir?

The Bailiff:

You are invoking the deity.

Deputy G.P. Southern:

May I use the expression “Thank heavens”?

The Bailiff:

“Thank goodness.”

Deputy G.P. Southern:

“Goodness,” all right. Thank goodness it was there a week ago, and it is there now. But, describe it as you like, it is a bolthole, a place of safety for that Minister, who has just left the room. So, what happened? This is deeply ironic. I love this. Here I am. I have been in this House for 7 years. For about 5 of them I have been... Deputy Ferguson seems vastly amused by something. For about 5 of them ... **[Interruption]** I will attempt to carry on, Sir. I am on my feet and I am getting remarks and laughter from my left and from the opposite benches, Sir. Really, we must have some order here, I feel. I really wish you would import that order.

The Bailiff:

Sorry. I think Members must hear the Deputy. So, Deputy, will you please continue?

Deputy G.P. Southern:

Thank you. Thank you, Sir. For 5 of those I have been trying to persuade the Minister for Treasury and Resources to stop freezing exemptions and stop clawing by fiscal drag more and more relatively poor people into the tax net. Lo and behold, it seems I have finally persuaded him because, come the real crunch on G.S.T., and we are in serious danger of harming the least well off, including those who are still taxpayers. He has finally relented and come up with a package of indexing exemptions. Bravo, Sir. But now this becomes the way to operate. My accountant friend behind me, Deputy Le Fondré, says: “Well, let us have more of this.” This is the way to operate. Beware, beware. Because for how long had we frozen exemptions? We had frozen exemptions - perhaps I bow to the... for at least 14 years. For at least 14 years. We have been dragging more and more people into the tax net for 14 years. We have got a package now which promises something like £300 worth of indexation to exemptions over 3 years. Now, the average family in Jersey is going to be paying £600 in G.S.T. per year. So we have given a little way on there: £300 over 3 years versus on average £600 a year. Those are the facts. They are all the facts that come from the Minister for Treasury and Resources. So we are giving away a little bit. We have got that 3-year package. Now we are going to load some more in. Three years down the line, I do not

know where inflation is. I do not know what food prices are like, fuel prices are like. I do not know what the economic situation is like. But there is absolutely nothing to stop the Minister getting this concession back by sitting on his hands. All he has to do is say: "Given the current economic circumstances and the position of the States finances, I am going to freeze exemptions." Those exemptions, those increases, will be gathered back. It is easy. This is not the way to process. This is not the safest. It is not the best way to proceed. It is, as many people have said, giving with one hand and taking with the other. That is a bureaucratic mistake, I believe. So, despite having argued for indexing exemptions, for years indexing exemptions in this particular case and doing it in this particular mechanism, is not the best way to proceed. We are told we have got nothing in front of us apart from this. However, it is possible and it will happen. A motion, a proposition to remove G.S.T. from food (I do not know about fuel but certainly from food) will occur early in the next term. That is the opportunity we must take to do the thing properly. This is not the proper way. This is not the right way. It is merely saving the faces of certain Ministers and I will be voting against it.

4.3.22 Deputy G.W.J. de Faye:

Well, Sir. We are listening to some really wishy-washy stuff today. But I have got sympathy for a number of Members. It must be really galling, Sir, for those long-term opponents of G.S.T., and, indeed, those enthusiasts for various exemptions to have to sit back and within weeks watch G.S.T. working as it was intended to do. It must be really rubbing their noses in it because the whole concept of a general sales tax is part of a comprehensive fiscal strategy backed by income support and it allows you to take money from the consumer and businesses, from visitors to the Island, right across the board, a wide arena chosen specifically for the breadth of its reach in order to keep the rate low and allows the States, through its various offices, to distribute the income from that sales tax to the people who really need it. It must be pretty gutting for the opponents to suddenly see precisely how this is going to work. It is going to give more money to income support, more money to the group of people who are on the benefits just above that and it will allow tax allowances for lower-middle Jersey, middle Jersey and generally who deserve some extra help at this difficult time. But instead we still have the carping, and, sadly, the misunderstanding. Now, I do need to say to Senator Norman, who was the first person to say this, and other Members have echoed it: this is not taking money away and giving it back to the same people. This is taking money away and giving it to other people, people who really need it. G.S.T. on food is going to apply just as much to beans on toast as it does to lobster salads. The people buying the lobster salads will be paying more money into the non-exempted food items. That money will be redistributed. As I remind Members, this a classic example of the proper redistribution of tax wealth, from the people who have got the money to the people who have not got so much. Now, the Deputy of Grouville: it is perhaps fortunate she is no longer in the financial services business, because I do need to say to the Deputy that her comment about: "Will this keep pace with inflation?" and she believes it will not, is completely inaccurate. If you are having a flat rate 3 per cent tax on items that are rising in price, like food, like fuel, then, clearly, that tax will not just keep place with inflation in those areas, it will be ahead of inflation because food and fuel are a component of the retail price index. So, yes, Deputy of Grouville, this will keep pace with inflation. It will beat it, in fact. It will be ahead of inflation, which is precisely the position we want to be in if we are to redistribute the money to the people who need it. The Deputy also, regrettably, seems to have picked up little of the information about the amount of administration involved. I am happy to agree with her that maybe the guesstimates of £300,000 to administer the exemption of tax on food may be overstated by £50,000 or £100,000 or so. But what is completely clear about these proposals of Deputy Le Fondré is that all the administrative elements are already in place. We already have income support. We already have the other system for distributing food relief, and, indeed, we have a well known and well-used system of tax allowances. So where is the extra administration? All that is going to happen is that a number of figures are going to be changed in the department. But I think what has been most amusing today is to see, if I can put it

this way, our “hard left” in the Chamber squirming, absolutely squirming in the face of having to give some money to the people who deserve to have it. Our so-called “champions of the people” are not looking very champion to me, Sir. No, because they have been supporting the populist game, con game, of saying: “Aha, right. We are all against G.S.T. on food.” Well, that is game over now. But they still want to hang on to that in a last desperation as the elections come round. The fact is, I want to know how the champions of the people will explain themselves to the people when they vote against Deputy Le Fondré’s amendment, proposition. How are they going to say that we did not want to take up the opportunity of spending several million pounds on additional income support, on additional health, people just above income support and additional money on tax allowances? How are the champions of the people going to explain this one? Well, we have been told that: “Oh, this is all too last minute.” Well, it has been open to every Member of the House to bring forward a proposition. It just happens that Deputy Le Fondré thought of it first, prepared it, and brought it forward. Congratulations to him for that. “Oh, it has not had proper scrutiny.” How long does one want to scrutinise something so blazingly obvious, Sir? Does this require scrutiny? No. This requires decision making, why we are all elected to be here. “Oh, it is the only choice available.” Well, where are the other choices? Where have the complainants about choice come up with other choices? Yes, this is the only choice available. It is a choice I am going to take, Sir, because this means more money for local people before Christmas at a time when I think they would like to have it. Now, I hope the champions of the people will bear that in mind before they finally decide to vote against this particular proposition. This is the best way we have now to distribute money in a fair way across a very broad section of our Island community at a time when they need it. I think that anyone in this chamber who is considering voting against this should really seriously question their consciences.

4.2.23 Senator S. Syvret:

There is that old wise old saying among the community that the States Assembly is that place down by the Royal Square surrounded with common sense. I think we are seeing a great deal of that today. But Members are going to have to stop thinking that the public are stupid, sooner or later, or suffer the consequences. Only a short while ago we had, I think, all - certainly most States Members - had an email from a member of the public in which he was pointing out the absolutely irrational, illogical and contradictory disconnect between the decisions this Assembly makes over a matter of days, mutually exclusive positions, if one bases that analysis on the issue concerned. Last Friday we agreed, very substantially - I supported it - to give all children of nursery age in the Island access to 20 hours of free nursery. Now, was that targeted? Is that going to benefit only the poor or those on middle incomes or are the wealthy, are the better-off going to also benefit from that blanket policy decision? Of course they are. So it is amazing, is it not, to compare and contrast the highly flexible thinking and approach of this Assembly when it comes from one policy decision to another, when it is something as politically high pressure and of such concern? As Senator Vibert’s re-election campaign, yes, we can fund massive hours of free nursery care on a non means-tested basis. As I said, it was a decision I supported. But suddenly when we come to questions about G.S.T. it is a different matter. Oh, we cannot possibly just have a simple exemption with G.S.T. because the wealthy, the better-off, might benefit a little bit from it. We could not possibly have somebody in a middle to higher income avoiding the tax of £5 a week or whatever it might be on their food bill. Dear, oh, dear. We cannot possibly have that. I long ago stopped expecting some kind of rational decision making on the part of this Assembly. It was said by Members in the earlier debate that there was no guarantee of G.S.T. exemptions getting passed in the future. Well, one could make similar observations about the various decisions that may be made by the House in respect of what is on the table today. The working proposal from Deputy Le Fondré. How do we know? How can we possibly guarantee that the Assembly will not overturn it within a matter of months and go backwards? Indeed, one can never be certain of these things but as sure as one can be, I can be pretty confident that the next Assembly will at some point overturn the decision they are going to make today and will introduce exemptions for food and domestic

energy. Let us cast our minds back to one of the earlier debates when I attempted to get exemptions for G.S.T. put in place. On that occasion we had the absolutely rabid and implacable opposition of establishment Members. The party whip was out big time. Again, it apparently not occurring to most Members of the Assembly that the proposals at that time - admittedly they were embarrassed into adopting them - means that the Treasury was going to exempt domestic property repairs from G.S.T. So it was okay to tax your apples and your doctors' bills and all of these kind of things. But, no, you would not be taxed on repairs to your conservatory or your swimming pool. That was the effect of the original proposals of the Treasury. Another example of the absolute absurdity: when we debated the exemptions the other week I said, in response, I think it was to a point made by the Constable of Trinity, that we have introduced G.S.T. Why do we have to suddenly change it? I said: "But things economically can change very, very quickly. I referred him to the great Wall Street crash and the economic depression of the 1930s. Remarkably - well, not remarkably because it was entirely predicable - that very weekend another one of the several fatal blows inflicting the world's finance system hit home and on the Monday morning, a mere weekend later, the markets absolutely tanked. We have seen a desperate response from governments and internationally to this. They are socialising the debt, socialising the consequences of the utter greed, incompetence, self-interest and short-sightedness of these speculative clowns so that taxpayers will have to assume vast amounts. But there is a limit to how long they can carry on doing this, as I think, indeed, the markets have seen today, for, notwithstanding the recent huge bounce in the market as a result of the putative rescue plan proposed by the United States Government. Again the markets are tanking and I took a print from the BBC's financial website this morning and you can see the markets going down there and, indeed, on the same occasion another dramatic rise in the price of oil. So, my case is proven. The financial circumstances, economic circumstances, around the world can happen with dramatic speed, suddenness and unpredictability. Of what relevance is that to my opposition to the proposal today? Because, as I said, when we were debating the exemptions proposal, exempting essentials such as food and domestic energy costs from the G.S.T. is a one-off solution. It does not require tinkering and revisiting constantly in the future. By way of contrast, the proposal of Deputy Le Fondré will mean that rates, allowances, thresholds, et cetera, will require constant, probably dramatic, shifting in order to keep up with the very unpleasant vagaries of the world's economy at the moment. That kind of shuffling around of the boundaries of the thresholds of the limits and the allowances may be able to be maintained by this Assembly for a year or 2, but when you are facing food inflation running at an annual rate of, I think it is, something like 20 per cent - when pasta, alone, has gone up 50 per cent in cost in the last year - sooner or later this Assembly is going to have to adopt the simple one-off approach of exempting such essentials as food and domestic energy. If that is such a dreadful prospect because a few of the better off may benefit by a few quid from it, as I said, cast your minds back to the times when the Treasury stood in this Assembly and were going to seriously bring forth proposals that would exempt the repairs to your swimming pools and your conservatories. Okay to exempt that but, apparently, not okay to exempt food and domestic energy. It is an absolute nonsense. The exemption proposition will be brought back again and again and it will, inevitably, be accepted and I do not think that Members are going to have succeeded in conning the public; those Members who voted against the exemptions the other week. The public are not stupid, contrary to the views of many Members in this Assembly, and I think the public are going to hold people to account.

The Bailiff:

I call upon Deputy Le Fondré to reply.

4.3.24 Deputy J.A.N. Le Fondré:

I will try to keep it reasonably short, Sir. In fact, I will not dwell on too many of the comments made by specific individuals. We have had one or 2 comments about - well, a lot of papers on income support and I emphasise again, it is not just about income support. It is also about those

who are always just outside that system and also about many taxpayers. It is about the less well off and it is about the middle earners. Certain Members have expressed a slight concern over part (b) of the proposition. I think it has been dealt with. It does not tie the hands of the Assembly in the future and I particularly note the comments of the Chief Minister and Deputy Ferguson on that matter. I will take a couple of minutes, in a minute, to refer to the conspiracy theories. I also would like to thank all those who have spoken in favour of the proposition. I did say I would be nice to Senator Norman and I think other Members have dealt with his comments already. I will make one point and that is that individuals receiving protected payments are among exactly the type of individuals that will benefit from P.90 that we passed in July, which is the bonus. I call it the rebate system, which Deputy Martin voted for. The form itself is very simple. I did have it around here somewhere. It is a single sheet of paper, 2-sided and, basically, most of the details you have to put on are your name, address and Social Security number and 3 very, very simple questions. It is categorically not complicated. I think Senator Routier has corrected the error about graduates as well. Reference was also made to the original P.90 and the amounts involved under that proposition but my proposals would allow that amount to be increased quite significantly, and the Minister for Treasury and Resources has confirmed to me that he would be happy to do so. I need to keep reiterating the point that marginal relief and the G.S.T. bonus scheme can help the middle earners and we all need to understand that. I, again, make the point, which I made in my opening speech, that Deputy Southern raised. In order to avoid fiscal drag on exemptions, the proposal by Deputy Ferguson of changing the marginal rate would demolish Deputy Southern's argument on that matter and I think I will probably stop there on the individual comments, Sir. Can I just make 2 further remarks; one slightly longer, I am afraid. Some people have been using the G.S.T. food exemption argument for political gain and some are using this to slate other politicians. Some have used food exemptions to try to derail G.S.T. What I want to say is, what I started with and what I want to do is to get help to those people who need it in the best and most efficient way and I maintain that position. I do need to refer briefly to various conspiracy theories that have been referred to during today, that have been circulating. As far as I am concerned they are false. No conspiracy - if that is the right expression - existed. For the record, I categorically confirm I was not put up to my proposition by anyone and, indeed, to answer part of the allegations, I only became aware that Senator Ozouf was supportive of my alternative proposals during the debate on the proposition brought by the Deputy of Grouville and not before. The Senator confirmed this morning that he was out of the Island. There was absolutely no communication between us before the time of the original debate. For the record, I was not happy with the decision of the Council of Ministers to support P.103. I informed Senator Le Sueur on Saturday, 23rd August, that I was extremely unlikely to be supporting the stance of the Council of Ministers and to inform him that I would be either quite robust in my speech on the day or that I might bring an amendment to the proposition. At that stage I had not made my mind what I was going to do. The aim of this conversation was to confirm whether, considering my role as Assistant Minister for Treasury and Resources, this stance was likely to cause a problem. The conversation was very short, with Senator Le Sueur accepting my position. I make the point categorically; at no time did he suggest the nature of any amendment nor did he comment upon the wisdom or otherwise of bringing such an amendment nor did he give either encouragement or seek to dissuade me from my stance. It simply did not form part of the conversation. So I then decided upon my course of action, grasped and finalised what was now a proposition and had it lodged. At the same time I proffered it to Senator Walker and stated my perspective on that matter. Sir, I also offered to resign as Assistant Minister to the Chief Minister's Department. The Chief Minister subsequently confirmed that he, too, accepted my stance. So, Sir, accordingly, I feel I have been placed in a position where a statement has been made, or issued by a politician under the auspices of being a Minister - being Senator Shenton - which impugned my honesty and integrity. Now, I have no problem with robust debates in the Chamber, and that is the nature of politics, but while the timing of the various exchanges means that Senator Shenton sent his letter to the *J.E.P.* before trying to properly substantiate his allegations the resultant public context is that I have, effectively, been accused of

acting in an underhand fashion and potentially being untruthful. I, therefore, strongly object to those allegations, particularly because they are untrue and also because they further damage the standing that this Assembly has in the eyes of the public. I have, therefore, been left with no course, I feel, but to refer to this matter now in order to set the record straight. I will now return to summing up the proposition which is about 30 seconds to go. I would just like to repeat, very briefly, what I said in the previous debate. We are here and now and G.S.T. is in place. The system is settling down and the decision is not whether you like G.S.T. or not. That argument is over for the time being. The decision today should be about how we can help people who need that help in the best way; how we can give something back to the people of Jersey and remembering that we are not starting with a blank piece of paper. As I said before, the question is simple. Do you Members want to put money into the pockets of people who need it and to better target what we have now identified as £5.8 million? Do Members want to keep matters simple? That was the promise and, to date, we have kept it. If Members support the principle, if you do not want to add £300,000 to our fiscal service bill, if you do not want to add to the frustrations of running a small business, then support this proposition. Thank you, Sir.

The Bailiff:

Yes. May I ask any Member in the precinct who wishes to vote to return to his or her seat? May I ask the Greffier to open the voting which is for or against the proposition of Deputy Le Fondré?

POUR: 34		CONTRE: 6		ABSTAIN: 0
Senator F.H. Walker		Senator S. Syvret		
Senator T.A. Le Sueur		Senator L. Norman		
Senator P.F. Routier		Senator F.E. Cohen		
Senator M.E. Vibert		Deputy A. Breckon (S)		
Senator P.F.C. Ozouf		Deputy G.P. Southern (H)		
Senator T.J. Le Main		Deputy of Grouville		
Senator J.L. Perchard				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of Grouville				
Connétable of St. John				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy J.J. Huet (H)				
Deputy of St. Martin				
Deputy G.C.L. Baudains (C)				
Deputy P.N. Troy (B)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				

Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy A.J.D. Maclean (H)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy of St. Mary				

The Bailiff:

I have been given notice and have given leave for the Minister for Economic Development to make a short statement to the Assembly.

STATEMENT ON A MATTER BY THE MINISTER FOR ECONOMIC DEVELOPMENT

5. Statement by the Minister for Economic Development regarding recent global markets

5.1 Senator P.F.C. Ozouf (The Minister for Economic Development):

In the light of recent global markets and the impact on certain major international banks, and to further strengthen public confidence in our banking industry, I have decided, in consultation with others, that it is appropriate to review the arrangements for depositor protection in Jersey. Jersey's policy of only admitting the top 500 banks as licensed deposit-takers has served Jersey well. Since the introduction of this policy there has not been a bank failure in Jersey and no depositor has lost money. Our banks are financially strong but, more importantly, because of their size, other national governments do not allow them to fail as has been seen with Northern Rock and the current action involving HBOS and Lloyds TSB. For these reasons the analysis that we have previously carried out suggested that the Island would not have benefited from a depositor's compensation scheme. However, in the light of the global turmoil I have initiated a further review. I can say the Jersey Bankers Association agrees and, in the light of recent market circumstances, also recognises the benefit of reviewing the current policy position and has confirmed that it will fully participate in the review. I will ensure all stakeholders - the F.S.C. (Financial Services Commission), Jersey Finance and all - are given the opportunity to contribute to the review. There are, potentially, complexities in introducing such a scheme and these should not be underestimated. The U.K. scheme has been under continual review since early 2005 and the process continues in the face of mounting opposition by some U.K. banks. Nevertheless, I have instructed that a review should be undertaken in conjunction with the review of the mortgage market I have already announced and I will revert to the Assembly as soon as possible.

Deputy G.P. Southern:

One is allowed to question?

The Bailiff:

Yes, indeed.

5.1.1 Deputy G.P. Southern:

Will the Minister accept my congratulations on responding to widespread concern and particularly at this time, and will he agree to release the analysis previously carried out which suggested there was no need, so we can examine the details of the analysis that has been carried out already?

Senator P.F.C. Ozouf:

Sir, I do understand the concern and that is why we are responding. I do want to underline and signal the strength that we believe that our banking industry has and the strength of the banks that we have in Jersey as a licence. Yes, of course, I will agree to publish. It is already, I think, on States Members' websites but I will, of course, publish the most recent report. I have answered numerous questions. The last formal published review, I think, was in 2000.

5.1.2 Deputy R.G. Le Hérissier:

I congratulate the Minister on the action. I wonder, Sir, could he tell us who will carry out this review, what the remit of the review is and when it will report.

Senator P.F.C. Ozouf:

The review I have already initiated. I have asked, in conjunction with the economics unit and other parties, Oxera to carry out the review of the mortgage market. The terms of reference are in discussions at the moment between myself, officials, the Minister for Treasury and Resources. I am going to be involved in that but the review, effectively, will be to re-review the whole issue of the circumstances, whether or not there is merit in considering a deposit protection review. Deputy Le Claire has not lodged the proposition. Frankly, the whole credit crunch issue and the global turmoil have been under constant review by myself, the Commission and the industry right the way through. It is, perhaps, in part a reference to that. We will go on to debate when that debate will be. I am hopeful that this review will take a couple of months and I am happy to share with Members and the Deputy any terms of reference of the review.

5.1.3 Deputy A. Breckon:

Sir, I wonder if I could just combine that with a question. Can the Minister confirm that during questions, probably in the last 3 months, he did say that Jersey did not need a bank depositor's protection scheme because of the quality of the finance houses? Could I couple with that, Sir, is this a reaction to the proposition that Deputy Le Claire has lodged?

Senator P.F.C. Ozouf:

Sir, I did say that and that has been the conclusion of all the previous reviews. I repeat, again, our top 500 rule has served the Island extremely well and we have no concern of any banks that are operating the retail banks. Members and Deputy Breckon will know the difficulties in some banks, in terms of merchant banks, that are not retail deposit banks. Those are the banks that are operating in Jersey, and I have no concern about that, but I do understand the importance of matching that confidence that we have with actual measures and, certainly, looking again at the depositor compensation review which does have costs. It is, obviously, important that we do everything we can in order to give investors and deposit makers in Jersey absolute confidence and I am sure that we would all wish to do that.

5.1.4 Deputy G.P. Southern:

Will the Minister share his potential draft terms of reference with the Economic Affairs Scrutiny Panel before he finalises them because it is significant that terms of reference dictate the sort of answers we get?

Senator P.F.C. Ozouf:

Sir, I mentioned this morning, when we were discussing the legislative process, the importance that we are taking in reviewing the local financial services industry in terms of mortgage market, et cetera. I am happy to give a copy of the terms of reference of the review and there are other stakeholders - the Jersey Financial Services Commission - and certainly I will take the views of the Scrutiny Panel on board.

5.1.5 Deputy A. Breckon:

Sir, I wonder if the Minister could say whether he believes that, in the circumstances, banks should pay more towards their own regulation and consumer safety. I say that because banks most recently have no compulsion about taking government money.

Senator P.F.C. Ozouf:

Sir, there are always trade-offs in relation to setting up schemes. The Deputy has also been discussing numerous times in this Assembly the issue of financial ombudsman's schemes, et cetera. At the end of the day regulation costs money and ultimately, it is consumers that pay and it is the overall approach of regulation that we take and that we judge whether or not we need to put additional safeguards in place. The local domestic financial services market is receiving our attention. The mortgage market, financial ombudsman and I am adding on the depositor protection schemes to that.

5.1.6 Deputy R.G. Le Hérisier:

Would the Minister concede that while economists can make a valuable contribution to this study, the issue of whether we do, for example, move to a depositors' protection scheme, and thereby provide comfort, is ultimately a political issue involving political judgment?

Senator P.F.C. Ozouf:

Sir, that is exactly right. We get the best brains around. Oxera, with the Economics Unit, have an excellent understanding of our financial services industry with a proven track record of giving good advice but, ultimately, as the Deputy quite rightly says, these are matters for political consideration. It is my job in order to put the facts and the costs, the advantages and disadvantages, to Members so a democratically, politically elected Assembly can make a decision.

The Bailiff:

Very well, we now come to M, Arrangement of Public Business. Mr. Chairman?

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

6. Connétable D.F. Gray of St. Clement (Chairman, Privileges and Procedures Committee):

I would like to propose the arrangement of Public Business under M, listed on the pink sheet, with the addition of 3 items, on 21st October. The 3 items are P.111 - Esplanade Quarter Masterplan, St. Helier: development agreement - approval by the States; P.122 - Draft States of Jersey (Amendment No. 5) Law; P.150 - Financial Services Compensation Scheme. In addition, on that day, there is also a further amendment to P.140. There are 2 other additions on 2nd December. P.148 - the Draft Boats and Surf Riding (Control) (Amendment No. 28); and P.149 - the Draft (Amendment No.33) to the Tariff of Harbour and Light Dues. I propose the amended list, Sir.

The Bailiff:

Thank you, Mr. President.

6.1 Senator P.F.C. Ozouf:

Sir, may I respectfully suggest in relation to the depositor protection scheme, I informed the Assembly that we will be conducting a review and I will make sure that the Members of the Assembly are fully informed of the outcome of that review. Realistically, that is not going to happen on 21st October. I understand the political imperative of this but I see no realistic opportunity for the Assembly to have an informed debate to make a decision on the scheme on the 21st. So, I would move that to 3rd December and, potentially, with moving it on from there. I have another suggestion but we will just deal with that first.

The Bailiff:

Well, you are proposing that the ... **[Interruption]** After the proposal that projet 150 be moved to 3rd December, is that seconded? **[Seconded]** Does any Member wish to speak on that? Very well, that is agreed then. Projet 150 is moved to 3rd December. Deputy Southern?

6.2 Deputy G.P. Southern:

P.137, my proposition on tenants rental deposits, I do not believe is a matter of urgency, Sir, and could be moved to park in December or maybe I will withdraw it and re-lodge it in a new session, Sir. What do you recommend? I think I am going to withdraw it, with permission.

The Bailiff:

I am delighted to see this enormous confidence, Deputy. **[Laughter]**

Deputy G.P. Southern:

Yes and why not? **[Laughter]** I may be intensely disliked within the House, however I do not think outside of it.

The Bailiff:

All right. Well, do you want to put it on 3rd December for the time being?

Deputy G.P. Southern:

For the time being it will do. Okay, thank you, Sir.

6.3 Senator M.E. Vibert:

Sir, I have lodged today a proposition which concerns the membership of the Chairmen's Committee and I wonder if it would be in order for it to be debated at the same time as P.122. It is an amendment. I am not sure. Perhaps the Greffier can advise, Sir?

The Bailiff:

The Greffier tells me it is an amendment to projet 140 so it automatically will come in or be debated at that time.

Senator M.E.Vibert:

Thank you, Sir.

6.4 Senator P.F.C. Ozouf:

In relation to P.148 and P.149, the Draft Boats and Surf Riding and Tariff Harbour and Light Dues, these were lodged after the Assistant Minister dealt with the budget Business Plan arrangements for the harbours. They are effectively bringing into force the decisions that the Assembly have, hopefully, already made about harbours income with the schedule of charges. Sir, there is an issue of giving appropriate notice to harbour charges for tariffs for commercial port operations, et cetera. Sir, I would beg the leave of the Assembly to have a minimum reduced lodging period. I think it is down to 5 weeks for those 2 items so that they can effectively bring into force the arrangements of the business plan rather than leaving them to 4th December.

The Bailiff:

Senator, are you going to justify to the Assembly how this would be prejudicial to Jersey that we need to reduce the lodging period?

Senator P.F.C. Ozouf:

The difficulty is that I am not suggesting there is a lacuna in Standing Orders, but, effectively, this is the implementation of the business plan arrangements. They are, effectively, tariff. I am not meaning to suggest that harbour dues are a tax. The Minister for Treasury and Resources is able to bring forward propositions without 6 weeks' notice, we did wait until the Assembly had approved the Business Plan and, therefore, for that reason I think that it would be important to be able to signal the charges. It is going to be difficult for us to pass this on 2nd and 3rd December and then bring them into force on 1st January.

The Bailiff:

Well, it is a matter for Members. Do Members agree to reduce the lodging period by one week to enable these to be debated on 2nd December?

Senator P.F.C. Ozouf:

I am grateful to the Assembly, Sir.

The Bailiff:

Very well, that completes the matters for consideration. Those items, as amended by Members, will be debated at those times and the meeting is closed and we will reconvene on 21st October.

ADJOURNMENT