

# STATES OF JERSEY

## OFFICIAL REPORT

**TUESDAY, 28th APRIL 2015**

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[9:31]

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

## **COMMUNICATIONS BY THE PRESIDING OFFICER**

### **1. The Deputy Bailiff:**

There is nothing under A.

## **QUESTIONS**

### **2. Written Questions**

#### **2.1 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING THE CHILDREN'S AND ADULT MENTAL HEALTH SERVICES:**

##### **Question**

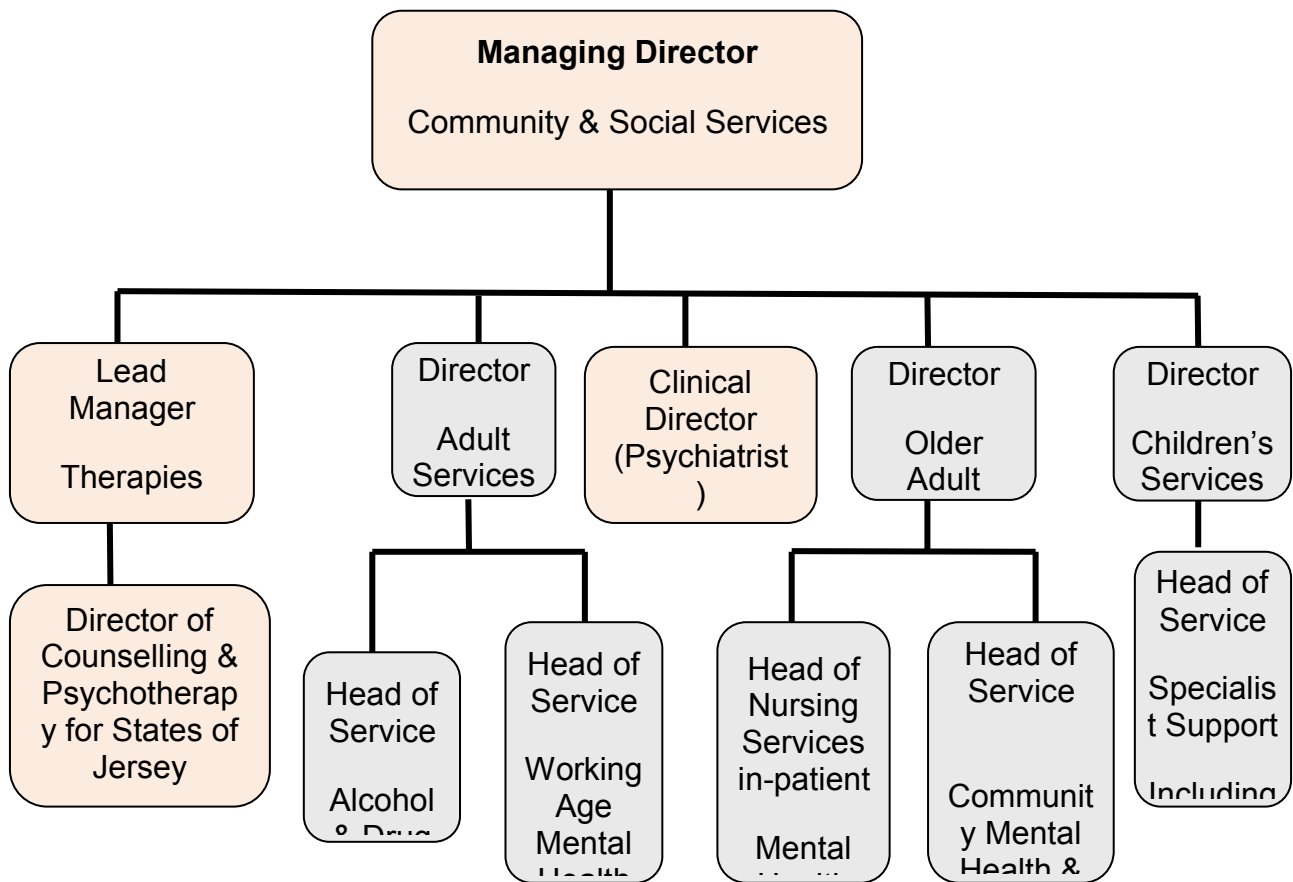
Will the Minister set out for members a diagram showing the organization of the Children's and Adult Mental Health Service and explain what personnel changes (resignations, retirements, interdepartmental movements within the health service and the wider States) have taken place over the last year?

Will he further state –

- (a) how many psychiatrists/psychologists are employed by the department, their qualifications and length of service in these capacities in Jersey and, as a separate figure, elsewhere;
- (b) the number of locums who have been employed in this area over the last five years and the length of time they stayed in the Island and whether their performance was deemed to be satisfactory by the department?

##### **Answer**

**Structure chart showing organisation of the Children's and Adult Mental Health Service**



### Information on personnel changes that have taken place over the last year

Over the last year, there have been ten new starters and ten leavers.

Reasons for leaving included returning to the UK, the end of a fixed-term contract, retirement and dismissal.

- a) How many psychiatrists/psychologists are employed by the department, their qualifications and length of service in these capacities in Jersey and as a separate figure elsewhere?

14 *psychiatrists* are employed by the department.

As appropriate, they hold the MBChB degree (Bachelor of Medicine and Bachelor of Surgery), MRCS (Membership of the Royal College of Surgery– postgraduate diploma) and or LRCP (Licentiate of the Royal College of Physicians – postgraduate diploma).

Length of service in Jersey is as follows: three staff have worked here for up to three years; five for between three and ten years; and six for ten years or more.

14 *psychologists* are employed by the department.



As appropriate, clinical and counselling psychologists hold a doctorate in clinical or counselling psychology, are members of the British Psychological Society and are registered with the Health and Care Professionals Council.

Length of service in Jersey is as follows: two staff have worked here for up to three years; seven for between three and ten years; and five for ten years or more.

It is not possible to track the length of service of members of staff prior to their employment by the department.

- b) the number of locums who have been employed in this area over the last five years and the length of time they stayed in the Island and whether their performance was deemed to be satisfactory by the department?

Over the last five years, six locums have been employed in this area for a total of 403 days. In every case, their performance was deemed to be satisfactory by the department.

## **2.2 DEPUTY T.A. MCDONALD OF ST. SAVIOUR OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING TAX RECEIPTS:**

### **Question**

Further to the Minister's response to question 1240/5(8713) tabled on Tuesday 24th March 2015, will the Minister provide the same information requested in that question in relation to tax receipts raised in 2014?

### **Answer**

Question 1240/5(8713) tabled on Tuesday 24 March 2015 read as follows:-

Will the Minister advise members how much tax revenue, broken down into Income Tax, Goods and Services Tax, and other tax receipts, was raised in 2013 from:

- a. Jersey based companies;
- b. foreign owned companies;
- c. financial service firms;
- d. utilities;
- e. firms brought into the Island by Locate Jersey;
- f. the general public;
- g. others;

and provide a breakdown of the sources of those taxes?

In relation to tax receipts raised in 2014 the answers are as follows:-

- a. Jersey based companies**
- b. foreign owned companies**
- c. financial service firms**
- d. utilities**

## Income Tax

The figures shown below are as at 20 April 2015. The figures will vary over time as cases that are under appeal are settled. The figures are also provisional and subject to audit.

2013 year of assessment (income) tax payable (raised in 2014) in respect of Financial Services Companies: £63,226,249

2013 year of assessment (income) tax payable (raised in 2014) in respect of utility companies: £2,707,016

2013 year of assessment (income) tax payable (raised in 2014) in respect of “other” companies: £17,131,200

As stated in the previous answer, with respect to the “other” companies these will include Jersey based and foreign owned companies. It is important to make the position clear that these companies will be liable to income tax on their profits at the corporate rate of 0% in 2013. Only if they have a source of income derived from Jersey property (rental or development) or from the importation into Jersey of oil will these companies be liable, on these sources only, to tax at the standard rate of 20%. The ultimate ownership of these companies, be it Jersey or non-Jersey, has no bearing on their Jersey income tax liability.

## Goods and Services Tax (GST)/International Services Entity (ISE) income received in the Taxes Office

2014 ISE Fees – finance sector (licensed by Jersey Financial Services Commission) £9,170,116

2014 GST – non-finance sector £63,079,056

2014 GST – utilities £5,690,421

### **e. firms brought into the Island by Locate Jersey**

At this present time the Taxes Office is not able to provide the information being sought by the Deputy. Work has commenced to explore the feasibility of providing the information in due course.

### **f. the general public**

2013 year of assessment (income) tax payable (raised in 2014) in respect of the general public (taken to mean Jersey resident individual taxpayers): £340,502,259

### **g. other**

2013 year of assessment (income) tax payable (raised in 2014) in respect of “others” (partnerships, trusts, non residents etc): £15,251,965

Land Transactions Taxes paid to the Treasury in 2014 relating to the sale of share transfer properties (553 transactions) £1,255,762.

### **2.3 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE CHIEF MINISTER REGARDING SAME-SEX MARRIAGE:**

#### **Question**

In November 2014, following public consultation, the government's report on same-sex marriage ('Equal Marriage and Partnership: Options Paper Report – November 2014' R.170/2015) said that the Council of Ministers was committed to bringing forward a report and proposition to establish a timeline, and States approval for, the introduction same-sex marriage in the first quarter of 2015.

Could the Chief Minister explain why this deadline has been missed and provide an updated timeframe for the introduction of same-sex marriage?

#### **Answer**

The report and proposition has been delayed to allow for more detailed consideration of matters pertaining to divorce and the future of civil partnerships. This includes consideration of the findings from a Jersey Law Commission consultation on divorce reform which has only just been concluded.

It is anticipated that the report and proposition will therefore be lodged in early summer 2015. It will uphold the previously stated commitment to making same-sex marriage a reality in Jersey by the end of 2017.

### **2.4 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR HOUSING REGARDING MARKETING EXPENDITURE BY ANDIUM HOMES:**

#### **Question**

Could the Minister provide a breakdown of what has been spent on marketing by Andium Homes since its incorporation last year? Specifically, could the Minister outline what has been spent on banners, flags and social media promotional adverts?

#### **Answer**

Andium Homes has spent a total of £17,790 on marketing and promotional activities since incorporation. The costs of these activities can be broken down as follows:

Flags	£495
Banners	£4,150
Marketing and branding	£13,145

Social media activities are managed internally by Andium Homes using existing resources.

It is essential that all affordable housing providers communicate, engage and consult with tenants, and the draft regulatory framework for affordable housing being developed will include a standard

to ensure that housing providers carry out effective and meaningful engagement with their stakeholders.

**2.5 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING A GRANT FROM THE CRIMINAL OFFENCES CONFISCATION FUND:**

**Question**

Could the Minister provide an update on what progress, if any, has been made towards fulfilling the commitments the States agreed to in P.123/2014, 'Freedom for Life Ministries: grant from Criminal Offences Confiscation Fund'?

**Answer**

Following the adoption of P123/2014 on 24 September 2014 the Minister for Home Affairs endorsed an application to the COCF for a grant of £200,000 for the Freedom for Life Ministries – Refurbishment of Life Centre (FFLM) drop-in facility.

On 8 January 2015 the Attorney General confirmed that *'the purpose set out in Deputy Higgins' Proposition accords with the statutory purposes for use of the COCF'*.

The project is now progressing and officers within the Home Affairs Department are finalising a Grant Agreement (in order to comply with the requirements of Financial Direction 5.5, Management of Grants) and funds will shortly be drawn down from the COCF by the Home Affairs Department, with the agreement of the Minister for Treasury and Resources, in order to facilitate the grant payment to the FFLM.

The Directors of FFLM have been advised of the process.

**2.6 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR HOUSING REGARDING EVICTIONS:**

**Question**

Could the Minister provide information on how many evictions were carried out by the Housing Department, per year, in the 5 years leading up to the incorporation of Andium Homes, and how many evictions have been carried out since Andium Homes was incorporated?

**Answer**

In the 5 year period up to 30<sup>th</sup> June 2014, the former Housing Department carried out the following number of evictions:

2009	2
2010	2
2011	6

2012	7
2013	3
2014 ( <i>up to 30<sup>th</sup> June 2014</i> )	1

Since its incorporation on 1<sup>st</sup> July 2014, Andium Homes has carried out 1 eviction in 2014 and 1 in 2015 to date.

## **2.7 DEPUTY T.A. MCDONALD OF ST. SAVIOUR OF THE CHIEF MINISTER REGARDING COMPLAINTS AGAINST STATES OF JERSEY EMPLOYEES:**

### **Question**

Will the Chief Minister advise –

1. Whether he has, over the past 12 to 24 months, personally received several individual complaints from members of the public in writing and in person, and also from States members, past and present, in meetings with the Chief Executive, regarding alleged harassment, misconduct, and numerous *ultra vires* actions against these individuals by States of Jersey employees and Executive Officers based within the Environment Department;
2. Whether, given the number of complaints received, and that they are in the same context, of the same nature, and do not appear to be individual grievances, it was appropriate for these complaints to be passed on to the individuals that they may have been about, or to the person who is responsible for the alleged action;
3. Whether, in view of concerns raised by former States members with reference to the Committee of Enquiry in 2011, the Chief Minister believes that he is conflicted on the current issues, given his chairmanship of the States Employment Board?

### **Answer**

- 1 I have, in the past, received individual complaints and representation from States Members on a number of matters concerning officers in the Environment Department. In matters that refer to planning applications, or where the matter could be subject to enforcement proceedings and subsequent Court action, I do not interfere until all avenues have been fully exhausted.
- 2 Where matters refer to specific individuals, I seek all materials relating to the case from the relevant department and from the person making the complaint, as well as any evidence about the allegations.

- 3 I do not believe that I am conflicted in my capacity as Chairman of the States Employment Board. On the contrary, the States Employment Board is the employer under the Employment of States of Jersey Employees (Jersey) Law 2005. It is the responsibility of the States Employment Board to ensure that any complaints are appropriately investigated at the right time and that those investigations are undertaken in accordance with the States Employment Board policy.

## **2.8 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHIEF MINISTER REGARDING E-GOVERNMENT:**

### **Question**

Further to the Chief Minister's responses to questions relating to expenditure on e-government, which have revealed that, in addition to the £1.8 million in 2014, a further £4.9 million has been allocated to e-government in 2015, will the Chief Minister indicate what further sums have been estimated in the new Medium Term Financial Plan for the years 2016, 2017 and 2018 and what savings, in which departments, are expected to result from this expenditure over those years?

Will the Chief Minister further state how many posts, at what grades, if any, will be lost through this process, and whether the current post-holders will be offered opportunities for redeployment or redundancy, either voluntary or compulsory?

Will he also inform members when it is anticipated that the savings produced by this "spend to save" initiative will exceed expenditure?

### **Answer**

The future eGovernment budget is being considered as part of the MTFP2 process, and figures will be proposed with the plan when it is lodged. Detailed breakdowns from departments will be available as each project is initiated.

As individual projects are initiated, a business case will be established to determine the benefits and justify the expenditure. These will be published as part of our commitment under the Corporate Delivery Plan.

Benefits of the e-government programme will include:

- Improvement in customer service, not just in States of Jersey but also in parishes and other organisations (eg Jersey Financial Services Commission)
- Improvement in internal efficiency
  - o Reduction in FTE
  - o Increase in productivity
  - o Capacity created to be redeployed to more valuable activities

Departments are in the process of identifying how restructuring will require their teams to change over the next three years and where eGovernment will facilitate these changes.

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

**Question**

The figures released in response to written question 8734, tabled on 14th April 2015, reveal little change in the pattern of tax revenues from non-financial businesses compared with those previously given for the year 2009. Both, however, are dominated (almost 60% of revenue) by two sectors – “other business services” and “other community services”. In order to better help members understand the Jersey economy, can the Minister provide a breakdown what types of business these two large categories include?

Will he further inform members what contribution each sub-sector within these broad sectors makes to the £30m of tax revenues produced, and, if not, why not?

The response also states that “the table above includes income tax assessed in respect of the legal and accountancy professions” and then overleaf that only two of the five subsectors of the finance sector, banking and trust and company administration, will pay tax at 10%, the remainder would be taxed at 0%. How much tax is paid by the fund management, legal and accountancy sub-sectors of the financial services sector?

Will the Minister further explain what role is played by income tax on partnerships and sole traders on tax revenues in the finance sector?

**Answer**

*Part 1*

*The figures released in response to written question 8734, tabled on 14th April 2015, reveal little change in the pattern of tax revenues from non-financial businesses compared with those previously given for the year 2009. Both, however, are dominated (almost 60% of revenue) by two sectors – “other business services” and “other community services”. In order to better help members understand the Jersey economy, can the Minister provide a breakdown what types of business these two large categories include?*

*Will he further inform members what contribution each sub-sector within these broad sectors makes to the £30m of tax revenues produced, and, if not, why not?*

See table below for a further breakdown of “other business services” and “other community services” and the contribution in respect of each sub-sector. It is emphasised that the tax contribution reflects the position across all entities (ie corporate, partnership and sole trader-in the context of the last two the proprietor is subject to income tax). This explains why there are figures against non finance sectors due to the profits arising to non corporate entities. The figures for tax assessed for the year of assessment 2013 and collected in 2014 are provisional and subject to audit.

Other Business Services	Contribution (2013 YOA) £m	Other Community Services	Contribution (2013 YOA) £m
Accountancy Services	5.2	Recreational Services	0.8
Legal Services	9.4	Hairdressing/Beauty Services	0.4

Other Professional and Scientific Services	2.2	Educational Services	0.3
		Other (further analysis of this figure will be provided to the Deputy in due course)	11.4
<b>Total (included in answer to written question 8734)</b>	<b>16.8</b>		<b>12.9</b>

*Part 2*

*The response also states that “the table above includes income tax assessed in respect of the legal and accountancy professions” and then overleaf that only two of the five subsectors of the finance sector, banking and trust and company administration, will pay tax at 10%, the remainder would be taxed at 0%. How much tax is paid by the fund management, legal and accountancy sub-sectors of the financial services sector?*

A breakdown of legal and accountancy services is included in the table above.

Tax of approximately £0.3m was paid by fund management companies in 2013. This will be in respect of property income in Jersey (which is subject to 20% tax irrespective of the nature of the company). Any business profits in respect of fund management services will have been taxed at 0%.

*Part 3*

*Will the Minister further explain what role is played by income tax on partnerships and sole traders on tax revenues in the finance sector?*

There is a degree of uncertainty as to the Deputy’s definition of the finance sector for the purpose of this question. If we consider two possible alternatives the position is set out below:-

1. The Deputy is referring back to his written question (6163) tabled in the States Assembly on 29 March 2011 in which he refers to five branches of the finance sector as follows:-

Banking

Trust and Company Administration

Fund Management

Legal

Accountancy

The broad split of total tax revenues on these criteria is:

Corporate: 81%

Partnership - Sole Trader: 19%

(Note: in order to arrive at this split the Taxes Office has had to make an assumption in one specific sector where, under the generic sub sector heading part of the revenue would fall within the finance sector as defined above and part would not. The answer must therefore be considered in this light).

2. The Deputy when referring to the finance sector is relying on the criteria set out in the Income Tax Law that is used to define whether or not a company is a financial services company and considering this criteria as if it were to apply to sole traders and partnerships also. It is a fact that the income tax derived from the finance sector in accordance with this interpretation is almost exclusively received from companies.



## **2.10 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING INCOME TAX:**

### **Question**

Given that the figures for income tax paid by the 11 sub-sectors of the non-finance sector, totalling £51.4 million and detailed in the Minister's answer to question 8734 tabled on 14th April 2015, can only be charged as income tax on dividends and other payments paid to Jersey resident beneficial owners, does the Minister have figures on what proportion of each sub-sector is non-locally owned and therefore paying zero tax and, if not, why not?

### **Answer**

The figures for income tax paid by the 11 sub-sectors of the non-finance sector, totalling £51.4m and detailed in the Minister's answer to question 8734 are not just restricted to companies as implied by the Deputy but are in fact a reflection of all businesses run by companies, partnerships and sole traders (in the context of the last two the proprietor is subject to income tax).

Given that the information reflects the position of sole traders and partnerships as well as companies this should help clarify why there is income shown against these headings. If we take, for example, the heading Health and Social, the income shown will almost exclusively be derived from the profits of partnerships and sole traders. If a company is trading in this sector any business profits made will be taxed at 0%. It would only be if the company had some incidental Jersey rental income (taxed at 20%) that it would be included.

With regard to the last question raised by the Deputy it is a matter of fact that the income tax assessed as disclosed in the table under the majority of headings is derived from Jersey resident sole traders and partnerships.

The main exception to this will be within the construction and quarrying sector and in respect of utilities. A significant proportion of the income tax assessed in these sectors will be derived from companies. This is because profits arising from property development in Jersey and in the provision of utilities in the island are taxed on all entities at 20% (and, in the case of companies, irrespective of their beneficial ownership).

## **2.11 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHIEF MINISTER REGARDING THE TRANSFER OF PUBLIC SECTOR EMPLOYEES:**

### **Question**

The Chief Minister stated in his answer to question 8745 from Deputy A.D. Lewis of St. Helier, asked on 14th April 2015, that the new Transfer of Public Sector Employees (T.O.P.S.E.) agreement to protect the terms and conditions of States employees, which applied in the case of the incorporation of Andium Homes and will apply to the Ports incorporation, did not apply to the formation of the public-private partnership "Visit Jersey" to replace the Tourism department and under which "it was anticipated that the majority of current staff would transfer". Can the Chief Minister give a detailed explanation of why he believes that the protection of T.O.P.S.E. should not have applied in this case?

Will he further assure members that, in the case of any further public-private partnership formations to reduce the numbers in public sector employment, T.O.P.S.E. protection will apply, and if not, why not?

**Answer**

The position of the States Employment Board (SEB) remains unchanged. The Transfer of Public Sector Employees (TOPSE) protocol is a code of practice that we will consider when issues such as public- private partnerships, third sector opportunities or outsourcing are being considered.

The SEB is a good employer and takes into account all aspects of any propositions put to it. It reviews the appropriateness of the application of the TOPSE protocol, which will be the default position, unless there are valid operational reasons not to do so.

As the Visit Jersey proposition has shown, there may be times when the use of the protocol is not appropriate because the functions of the new organisation are not directly comparable with those of the relevant public sector department.

In such circumstances, the SEB will seek to ensure outcomes for existing Public sector employees that are fair, appropriate to their contract and within the existing policy framework.

**2.12 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING THE ENERGY FROM WASTE PLANT:**

**Question**

Will the Minister set out for members a chronology of all correspondence, from 2007 to the present day, between the department and the States of Guernsey and its departments regarding the burning of Guernsey’s waste in Jersey’s Energy from Waste Plant?

**Answer**

Officers from Jersey and Guernsey have consulted on various technical matters with regard to the feasibility of processing Guernsey waste. These communications are not logged and are not included in the table below.

Date	Activity
June 2007	Meeting in which waste issues between Jersey and Guernsey were discussed.
July 2007	Meeting between islands to discuss waste roles of each department and options for joint working.
May 2012	Meeting held in Jersey between Officers of Guernsey Public Services and TTS
August 2012	Members of the States of Guernsey visit the Energy from Waste Plant.

February 2013	Officer meeting, held in Guernsey.
February 2013	TTS received a request from the Guernsey Public Services Department to complete a questionnaire.
March 2013	TTS submit response to the initial questionnaire
April 2013	Meeting in Jersey with Guernsey counterparts
July 2013	Bi-lateral Ministerial Meeting with Guernsey
July 2013	Guernsey issued a pre-qualification tender request for the processing and shipping of waste from Guernsey.
September 2013	Tender returns reviewed and discussed by the Guernsey Public Services Board in September 2013 and the Public Services Department bought a States Report for debate in September 2013
April 2014	Waste update meeting between officers
December 2014	Introductory letter from new TTS Minister to new Guernsey PSD Minister
February 2015	Inter-Island meeting re Guernsey Waste disposal
May 2015	Political and Officer meeting planned for 22 <sup>nd</sup> May

**2.13 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE CHIEF MINISTER REGARDING COMPLAINTS AGAINST ENFORCEMENT OFFICERS OF THE ENVIRONMENT DEPARTMENT:**

**Question**

Will the Chief Minister advise members how many individuals and/or organizations have met or corresponded with him complaining about the actions of the Department of Environment's Enforcement Officers and detail what action, if any, he intends to take to address those complaints?

**Answer**

In the course of my duties as the Chief Minister I receive many representations from applicants concerning live applications for planning matters or concerning enforcement matters in relation to actions taken by the Planning Department.

I do not have an exact number of representations made but when an official complaint is received, the background to the complaint will be reviewed and if there are sufficient grounds for an independent investigation, this will be managed by my department.

I am aware of a long running allegation and complaint and I will be undertaking further investigations in conjunction with the Minister for Environment to ensure the matter is resolved as quickly as possible.

**2.14 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE CHIEF MINISTER REGARDING APPLICATIONS MADE UNDER THE CONTROL OF HOUSING AND WORK (JERSEY) LAW 2012:**

**Question**

Will the Chief Minister advise members how many people applied for registration cards under the Control of Housing and Work (Jersey) Law 2012 during the period 1st January 2015 to 31st March 2015, breaking down the numbers into the nationality and country of origin of applicants?

**Answer**

The figures below show all those people applying for registration cards under the Control of Housing and Work (Jersey) Law 2012 during the requested time periods.

Applying for a registration card does not mean people are new to the Island, as everyone needs a registration card when moving house or changing jobs.

When issuing cards we ask for an applicant's nationality, not country of origin.

<b>Nationality</b>	<b>1/01/2015 - 31/03/2015</b>
British (Jersey Born in Brackets)	3,185 (1,523)
Portuguese	696
Polish	478
Romanian	138
Irish	101
French	46
South African	45
Latvian	30
Indian	27
Italian	26
Thai	24

Filipino	23
Hungarian	14
Australian	12
Czech	11
Bulgarian	10
Kenyan	10
Pakistani	10
Russian	9
Canadian	8
Spanish	8
Dutch	7
German	7
Slovak	7
Zimbabwean	7
American	6
New Zealander	6
Swedish	6
Austrian	5
Finnish	4
Maltese	4
Bangladeshi	3
Belgian	3
Brazilian	3
Venezuelan	3
Chinese	2
Ghanian	2

Mauritian	2
Norwegian	2
Sri Lankan	2
Swiss	2
Argentinian	1
Bahamian	1
Belarusian	1
Cambodian	1
Croatian	1
Cypriot	1
Egyptian	1
Estonian	1
Greek	1
Grenadian	1
Icelandic	1
Libyan	1
Lithuanian	1
Malawian	1
Peruvian	1
Samoan	1
Slovenian	1
Tongan	1
Turkish	1
Ugandan	1

Total	<b>5,014</b>
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## 2.15 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR HOME AFFAIRS REGARDING WORK PERMITS:

### Question

Will the Minister advise members of the number of work permits that have been issued in Jersey since 1st September 2014 and give further information regarding the nationality of each person granted a permit, their profession or skills, the sector in which they intend to work and the duration of the permit?

### Answer

Work permits are issued in accordance with the Immigration (Work Permits) (Jersey) Rules 1995 and in accordance with the Work Permits Policy and Procedures issued by the Minister for Home Affairs.

168 work permits were issued between 01/09/2014 and 20/04/2015.

Of these 168 work permits:

- 38 were for skilled employment and were valid for between 1 month and 1 year;
- 85 were for skilled employment and were valid for between 1 and 3 years;
- 2 were for skilled employment and were valid for between 4 and 5 years.
- 43 were for un-skilled positions in the hotel and catering sector for returning workers and were valid for between 6 and 9 months.

The nationalities of the immigrants concerned are shown below, along with the numbers of work permits issued to each:

Australian	7	Mauritian	4
Bangladeshi	2	Malaysian	2
Canadian	3	New Zealander	4
Chinese	3	Pakistani	7
Croat	1	Qatari	1
Egyptian	2	Russian	1
Filipino(a)	10	Samoan	1
Hong Kong Cit.	1	Tongan	1
Indian	36	US Cit.	3
Jamaican	1	South African	28

Kenyan	41	Zimbabwean	9
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The 168 work permits were issued in the following sectors:

Finance	87
Hotel and catering	47
Information technology	17
Law	4
Medicine / health	3
Other (Lifeguards / sports persons / etc)	10

Most work permits are issued for periods between 6 months and 3 years; very exceptionally a work permit may be issued for a period of 5 years.

**Data which cannot be readily retrieved:**

In order to ascertain the duration and the profession / skills related to individual work permits each of the 168 immigrant records involved would require separate examination in order to extrapolate the required information; such research cannot be undertaken in the available timescale.

Furthermore, the amount of time which would be required in order to fully answer the question is disproportionate to any public benefit in so doing.

If the questioner has concerns in relation to any specific category or categories of work permit then I would suggest that he re-present a more specific and targeted question.

**2.16 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR HOME AFFAIRS REGARDING CRIMINAL RECORD CHECKS:**

**Question**

With regard to criminal record checks, will the Minister:

- (a) advise members which countries routinely share and do not share information with the States of Jersey Police and what steps are being taken to obtain information from those who do not share information;
- (b) advise members whether it is the case that Jersey-born persons with spent convictions, or convictions which are not spent but of a historical nature (other than sexual offences), can be denied employment, whereas people from countries which do not supply criminal records information could be employed even though they may have committed very serious offences in their home country?



### **Answer (a)**

The States of Jersey Police do not deal directly with other countries outside the UK when requesting criminal records data held on individuals. All international agreements for sharing criminal record data are made through the UK Home Office. The States of Jersey Police are able to share conviction information with all European Union Member states when foreign nationals are charged to appear before Jersey courts. This is done via the UK Central Authority at ACRO. Similarly, information is shared for court purposes with countries outside the EU through Interpol but again via ACRO.

Information can be shared for public protection matters by the same method, but only in limited circumstances. This is only a recent development and is EU-wide for employment checks regarding Regulated Activities with Children. Not all countries will respond to requests for convictions for EU nationals working with vulnerable adults. Denmark, Hungary, Ireland, Luxembourg and Portugal do not have legislation which allows them to share information for these purposes. This issue is an EU-wide problem, not just a Jersey one.

### **Answer (b)**

Deputy Higgins raises a valid concern by highlighting the discrepancy between the information readily available on all UK nationals (including Jersey born) and those who were born elsewhere.

To obtain a criminal conviction certificate for employment in Jersey, the prospective employer must submit a request through the Jersey Vetting Bureau (JVB). The JVB verifies the form is for a post that permits such a check and sends it to the UK Disclosure and Barring Service (DBS). These checks are only provided to persons seeking employment in Regulated Activity (working with children or vulnerable adults) or for roles exempted from the Rehabilitation of Offenders (Jersey) Law 2001.

The separate 'Disclosure Arm' of the JVB then receives a request from the DBS for any relevant local convictions or other information held by police to complete the certificate. The DBS then send the completed certificate to the prospective employee. The DBS does not at present routinely request conviction details of non-UK nationals from their countries of birth for their disclosure certificates.

It is not the police service that denies an individual employment; it is for the employer to decide on production of the certificate by the prospective employee. The current practice within the UK and Jersey is to issue a statement on the certificate where the subject is a foreign national, which puts the onus on the employer to ensure the prospective employee provides a certificate of good character from their country of birth. An example is shown below:

***Please Note:** The disclosure has been produced in accordance with the Rehabilitation of Offenders (Jersey) Law 2001 and the Data Protection (Jersey) Law 2005. Checks have been conducted of Police records only, including the UK Police National Computer, and using the personal details supplied (see above). Jersey Police are unable to check the existence of a Police record outside the United Kingdom, the Channel Isles and the Isle of Man. Foreign Police Disclosures may be obtained by the applicant via the disclosure and/or criminal record screening facilities in place in that country.*

The UK and EU are currently in the process of addressing the issue. ACRO have followed an EU framework decision (93-2011 Child Exploitation) and have secured agreements with all EU

countries to allow criminal record checks to be carried out for vetting purposes by the DBS. This is near conclusion and the first two countries, Latvia and Holland are to be involved in a Pilot Scheme from July 2015 to April 2016. They will have their nationals checked by ACRO and the details forwarded to the DBS via the Police National Computer (PNC). This will still only apply when individuals apply for roles in Regulated Activity, working with children, not vulnerable adults. The Home office and EU fear the burden of numbers would make the latter prohibitive. There are approximately 200,000 EU nationals applying for work in Regulated Activity annually in the UK.

In the meantime, the situation is as Deputy Higgins suggests unless the employer insists on the prospective employee obtaining a criminal conviction certificate from their own country.

## **2.17 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING NITRATES:**

### **Question**

Does the Minister consider that a 'polluter pays' policy could be a viable way of reducing the amount of nitrates that are applied to fields, which subsequently find their way into the water table? If not, why not, and if so, what does the Minister think a workable scheme would look like?

### **Answer**

Thank you for the question which is an interesting one. My officers are currently working on both a water strategy (using EU Water Framework Directive principles) and, as part of that, a nitrate reduction plan. This will recommend further workable measures and mechanisms that we need to put in place to continue to reduce nitrates in water supplies in the Island. The Nitrate Working Group (comprised of representatives from the Health Department, Jersey Water and the farming community) will make recommendations that will feed into these plans.

The 'polluters pays' principle is one of the cornerstones of EU and UK pollution regulation in the law. The EU Water Framework Directive (2000/60/EC) (and all of its subsidiary directives) is currently the main driver across the EU for achieving sustainable management of water across the EU and it also promotes the 'polluter pays' principle.

The Water Pollution (Jersey) Law, 2000 (hereafter referred to as the WPL) is the principal piece of legislation in Jersey to provide for the control of pollution in Jersey waters. Under Article 6, it states that in carrying out his or her functions under the law, the Minister shall have regard, as far as reasonably practicable, to several considerations, including 'a cost principle in respect of pollution, by which the costs of preventing, controlling, reducing and eliminating pollution are borne by the persons who cause and knowingly permit it'.

There are a number of ways this is reflected in the WPL, but the pollution offences are the most illustrative - any person who causes or knowingly permits pollution of any controlled waters shall be guilty of an offence and be liable to a fine (or imprisonment).

In order to secure a prosecution in this way, it is necessary to demonstrate that 1) pollution of controlled waters has occurred, 2) a person has caused or knowingly permitted pollution, and 3) that the pollution was the result of the defendant's activities.

This can be relatively straightforward to apply to an identifiable ‘point source’ of pollution, for example a spill from an oil tank, a slurry spill, or a spill of untreated sewage from a sewerage system. In these cases there is likely to be an identifiable polluter; an evidentially conclusive source, pathway and receptor for pollutant transit; an action or activity that has caused this pollution; and a demonstrable impact, all of which are required.

### The application of ‘polluter pays’ to the nitrate problem

The polluter pays principle is difficult to apply to nitrate pollution within the current provisions of the Water Pollution Law (2000). Predominantly there is a real difficulty in being able to demonstrate any of the evidential necessities to secure a prosecution. The high nitrate in Jersey’s surface and groundwater comes predominantly from intensive agriculture, but is also exacerbated by other population pressures such as domestic and amenity sources of nitrogen (septic tanks or golf courses/gardens). Nitrate pollution is diffuse in nature, it comes from a number of sources and often happens cumulatively over time as a result of small decisions made and day to day management. It is made up of many small sources cumulatively having a large impact.

Therefore currently, the law is not set up to regulate diffuse pollution effectively using polluter pays principles. However, it is possible to address this through introducing some additional provisions under the Water Catchment Management Regulations and Orders available under Part 3 of the WPL. This is one of the mechanisms that the Department is looking at through the water strategy, and such provisions are likely to form a key part of the water strategy going forward. These will be formulated in a different way so that certain actions must be taken by all commercial users of nutrients or producers and users of organic wastes in the designated area and so will not be limited by the need to demonstrate impact in any given case.

Secondly however, regulation, whilst effective, is not a magic bullet. Diffuse Pollution is difficult to regulate without complementary incentives and education. Regulation on its own has been demonstrated to not be that effective in changing behaviour<sup>1</sup>.

As previously mentioned, taking agricultural nitrogen as an example, sources of excess nitrogen in water are often a result of many farm level day-to-day management decisions. Any decision making is a complex mix of factors (such as belief, tradition, personal experience, knowledge, skills, time, cultural and social influences, economic signals and incentives) which then go to produce a view on the benefits and perceived disbenefits of any particular course of action and ultimately the action taken by the individual decision maker.

The Department of the Environment has been working with the farming community (in the Diffuse Pollution Project) using a mixture of education, advice and incentives to better understand the barriers and incentives to good agricultural practices and to see what improvements in water quality could be achieved. This was a necessary pre-cursor to proposing introducing additional regulation. The measures in the Diffuse Pollution Project have been mainly delivered at no additional cost to government through initiatives linked to the Rural Economy Strategy 2011-2015 –and have included economic incentives – a tightening of SAP (Single Area Payment) subsidy compliance requirements for good practice - and the Countryside Enhancement Scheme, along with talking to farmers about the barriers to good practice that they face and trying to solve them and visits, advice and training.

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<sup>1</sup> Evidence on cost effectiveness suggests that “Sanctions have previously proved relatively ineffective in changing behaviours”. National Audit Office, 2010

It is also perhaps worth mentioning that in respect of polluter pays there are also bigger questions of who exactly the polluter is and who should pay or bear the costs. Market signals to farmers incentivise intensively produced foods that are often priced in a way that does not fully reflect the environmental and social costs of producing them but that the public want and that supermarkets profit from. The complexity of the economics of the provision of environmental goods and services is one of the factors behind the development of other models such as payments for ecosystem service (PES) that are becoming more widely used elsewhere<sup>2</sup>. Here, over and above minimum compliance with legislation land managers are rewarded financially for providing the ‘ecosystem services’ that others are the beneficiaries of – whether that is the government acting on behalf of the public or a third party direct beneficiary such as a water company<sup>3</sup>. These other incentives act as an adjunct to the regulatory requirements driven by polluter pays regulation and try to equalise somewhat the other opposing economic drivers of land manager behaviour.

The Department of the Environment is still in the process of consulting with stakeholders and considering the right mix of measures and mechanisms to balance delivering the best outcome for the least cost. At this stage it is very likely to include some additional polluter pays mechanisms (regulation) along with a complementary supporting mix of advice, incentives and education.

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2 Mauerhofer, V., K. Hubacek, and A. Coleby. 2013. From polluter pays to provider gets: distribution of rights and costs under payments for ecosystem services. *Ecology and Society* **18**(4): 41.

<sup>3</sup> DEFRA, Payments for Ecosystem Services, A Best Practice Guide, May 2013  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/200920/pb13932-pes-bestpractice-20130522.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/200920/pb13932-pes-bestpractice-20130522.pdf)

**2.18 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING POTATO CYST NEMOTODE LEVELS:**

**Question**

Could the Minister provide a breakdown of the 4 categories of potato fields in terms of Potato Cyst Nematode (P.C.N.) levels; explain how those levels compare with acceptable and ideal P.C.N. established benchmark levels elsewhere, and what steps the Minister is taking, if any, to reduce the number of fields with high P.C.N.?

**Answer (A)**

Potato Cyst Nematodes (PCN) is a type of eelworm that invades potato roots to feed, is a serious pest of potato crops world-wide and can cause significant loss of yield. Due to its encysting nature it has the ability to survive in soil for many years, multiplying rapidly when a new crop of host plants is planted

In Jersey, PCN has been present in the soil for decades, with levels increasing as a result of cropping practices. All Jersey potato land sampled has some level of PCN. It is advised, and part of many super market assurance protocols to justify pesticide application, that land planted with potatoes should be tested for PCN before planting to determine pest levels and damage risk. After testing/analysis PCN present in soil is categorised as follows:

Category	Eggs and/or larvae per gram of soil	Interpretation
1	Not found	Low risk but does not imply absence – nematicide treatment not required.
2	Low 1 - 5	Use of nematicide is unlikely to be worthwhile where a crop of early Royals is to be grown.
3	Moderate 6 - 60	Nematicide is recommended to protect yield loss. If an alternative less heavily infested field is available it should be used.
4	High > 60	Cropping with potatoes not advised. The use of a nematicide may give an acceptable yield.

- At low levels (Cat 1) PCN is tolerable
- At medium levels (Cat 2 & 3) it can be partially controlled through a range of measures including variety resistance (excluding Jersey Royal), rotation of crops to break multiplication cycle and induce natural decline and soil applied nematicides (substance or preparation used for killing PCN).
- At very high levels (Cat 4) yield can be severely affected and poor potato skin finish can render the crop unmarketable.

The table below represent the trend in PCN categories in Jersey from 2002 to 2016.

<b>Presence of PCN in Jersey soil</b>				
	<b>Category</b>			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>2002</b>	14.6%	68.2%	16.2%	1.0%
<b>2014</b>	16.4%	37.4%	37.0%	9.2%
<b>Projected 2016</b>	11.0%	33.0%	44.0%	12.0%

The table above confirms that Category 1 and 2 soil is falling, while Category 3 and 4 are rising. The increase of PCN in Jersey soil is attributed to annual cropping practices without rotation, the revocation of approved pesticides, and insufficient voluntary control and dumping of waste on land by the industry.

### **Jersey vs. Europe**

Results from the last European PCN Survey showed that PCN is widespread across the EU, but not present in Austria, Estonia, Czech Republic, Hungary, Malta, Luxembourg and Romania. The incidence was 9.1% of area sampled for the EU as a whole and 11.6% in member states where PCN was present, but it is increasing as a pest of concern.

In Jersey PCN is present in 100% of samples and at higher levels than other jurisdictions. Until the last decade these high levels were of less concern as control products were available and the short Jersey Royal growing season meant crops were dug before damage occurred (12 weeks). However, the list of approved control products has shrunk significantly in the last decade after the EU pesticide review revoked approval of many broad spectrum products. In seasons of uncertain marketing or poor weather crops can be left in the soil for longer than 12 weeks creating PCN multiplication and yield/skin finish damage. Oversupply necessitates disposal of crop, often resulting in the dumping of potatoes to land or ploughing in. This produces ‘volunteer’ plants (potato plants growing in land outside the cropping cycle) which are often left uncontrolled, harbouring the pest allowing further multiplication.

Damage to crop has been seen after as little as 9 weeks in recent years suggesting the selection pressure of the short Jersey cropping cycle has forced PCN to shorten its lifecycle. Recent work has shown Jersey PCN to have a 95% hatch rate in 48hrs, far faster than UK PCN.

### **Answer (B)**

The Department of the Environment Plant Health Advisory Service (Department) continues to provide best practice advice to the industry. This includes:

- Not planting crops into high category land.
- Rotation or fallow periods to allow natural decline (ideally 2 to 3 years min. between crops)
- Cleaning of machinery between fields to reduce transmission
- Strict control of volunteer plants to reduce multiplication

- Lifting of crops no later than 12 weeks
- Removal of all crop debris and disposal onto sacrificial land
- Judicious use of nematicides on higher category land as required

Some potato producers in other jurisdictions grow PCN resistant varieties but the Jersey Royal has no such resistance. Indeed, to survive in soil containing the high levels of PCN present in Jersey, the Jersey Royal has developed a PCN tolerance, meaning the potato can support disproportionate numbers of PCN.

Department research has reviewed various methods and products that have come to the market over recent years and established that the valid contributors to control are:

- Organic fertilisers (Vraic, manure, green cover crops) - improves soil ecology, particularly fungi, which will contribute to PCN suppression.
- Strict volunteer control – (control of unwanted potato plants out of season) reduces PCN multiplication and levels.
- *Solanum sysimbriifolium* (Spiky Tomato/Litchi Tomato) - 4 years Department research into husbandry. Its roots trigger PCN hatch - females cannot feed, - cannot multiply and significant population reductions can be achieved – very elegant technique with wide take up.
- Natural decline through rotation - 20 plots artificially elevated to Cat 4, after 3 years of no potato growth 19 plots had fallen to Cat 2 and one remained at Cat 3. Demonstrating that a 3 year rotation would add significantly to PCN control in Jersey.

It is planned that the following activities will be included in the 2016 Rural Economy Strategy.

- Continue to provide an advisory and research capability to ensure Jersey growers are kept informed of developments. E.g. – current work on garlic product that utilises natural polysulphides – trials this year expected in market next.
- Research genetic aspects of Jersey PCN – lifecycle and ‘vigour’.
- Engineering fixes – harvester mounted unit to destroy unwanted tubers to reduce volunteers this season.
- Alternative high value crops to allow greater rotation
- Explore existing legislation to restrict cropping in high category land and extension of season
- Investigate genetically modified organism (GMO), engineering PCN resistance into the Jersey Royal potato

### Summary

- Land is tested and classified into 4 PCN categories based on pest level, 1 being relatively free of the pest elevating to 4 being unsuitable for planting of potatoes due to yield and skin finish damage incurred.
- Jersey’s intensive potato system is gradually, but in the last decade more rapidly, pushing land into the higher categories.
- Relative to other jurisdictions Jersey has high levels of PCN as a result of decades of continual potato production with insufficient land to rotate crops.
- The Environment department continues to provide a sampling, analysis and advisory service as well as research into new techniques and methods aimed at reducing the impact of this pest.

**2.19 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR HOME AFFAIRS  
REGARDING SMOKING AT H.M. PRISON LA MOYE:**

**Question**

Will the Minister advise how many complaints, if any, have been made by prison inmates or staff with regard to breathing in second-hand smoke on the premises of H.M. Prison La Moye in the past 5 years, when the complaints were made, how they were dealt with and if there are any plans to make the prison a smoke-free environment, as is the case on all hospital premises?

**Answer**

There hasn't been a complaint from staff related to breathing in second-hand smoke in the past 5 years and one complaint was received from a prisoner on 10<sup>th</sup> April 2015.

Staff are not permitted to smoke within the confines of the prison but the 'Restriction on Smoking (Workplaces) (Jersey) Regulations 2006' permit smoking in a prison cell. Consequently, prisoners are allowed to make a personal choice and permitted to smoke in their cells.

Prior to raising his formal complaint, the prisoner chose to write to several external sources to express his concern. On being made aware of this, the Prison Governor took the following actions:

- Instructed the engineering staff to check that the ventilation and fresh air in-flow system was operating properly
- Issued instructions to ensure that the in-cell air vents are routinely checked by staff to ensure that they are not being blocked
- Issued instructions to ensure that cell doors are closed if a prisoner chooses to smoke
- Conducted analysis of data from the prisoner's in-cell smoke detector
- Created a non-smoking area in the accommodation unit and gave the non-smokers the opportunity to move to a part of the unit where all cells are smoke free.

While there was no evidence to support the prisoner's assertion that "smoke laden air" was leaking out of smokers' cells and finding its way into his cell, the Governor felt that it would be prudent to check the quality of the information gleaned from the in-cell smoke detector. He is therefore procuring an air sampling device that might provide more conclusive analysis of air in cells or communal areas. Once available, further research and analysis will be carried out.

Deputy Tadier's reference to hospital premises is noted, but this has little relevance to a prison environment where a high percentage of the occupants will be detained for several years. Due consideration will be given to further information on the air quality in parts of the Prison. In the absence of licensed alternatives, there are no immediate plans to enforce smoking prohibition on all prisoners.

**2.20 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR TRANSPORT  
AND TECHNICAL SERVICES REGARDING THE RUNNING OF THE ENERGY  
FROM WASTE PLANT:**



## **Question**

Will the Minister outline to what extent, if any, the presence of glass in general refuse presents a problem to the running of the Energy from Waste Plant?

## **Answer**

Glass is separated at source from general refuse and delivered to the La Collette aggregate recycling centre. This separation is done by the waste producers and there are several reasons why their cooperation in preventing glass from the Energy from Waste plant (EfW) is appreciated.

Glass does not burn, so no energy will be gained by putting glass through the EfW plant.

Glass causes wear and damage to the equipment within the EfW. Whilst the equipment is robust and capable of dealing with de minimis quantities of glass large quantities are to be avoided. Glass can soften and melt in the combustion process. This leads to partial blockages of some air channels which reduces the efficiency of the equipment. When the incinerator cools this material solidifies acts as an abrasive material which causes premature wear to the incinerator equipment.

Glass is presently crushed and reused as a secondary aggregate. This is in line with the waste hierarchy and the Solid Waste Strategy.

## **2.21 DEPUTY M. TADIER OF ST. BRELADE OF THE CHIEF MINISTER REGARDING A DISABLED STRATEGY FOR JERSEY:**

### **Question**

Are there any plans to introduce a disability strategy for Jersey? If not, why not, and if so, what would this entail, and what would the expected timescale be for its introduction?

### **Answer**

Yes. Work has started on the development of a disability strategy for Jersey.

A postal survey measuring the prevalence of disabilities and impairments is currently being prepared in consultation with key stakeholders. It will be distributed in late Spring to approximately 1 in 4 randomly selected addresses in Jersey. Focus groups will then be undertaken.

The information gathered will be used to support the development of a disability strategy. It is anticipated that a first draft will be issued for consultation in early 2016.

## **2.22 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING ZERO-HOUR CONTRACTS:**

### **Question**

Can the Minister account for the prevalence of zero-hours jobs in Jersey, which now accounts for 10% of employment, compared to around 2% in the UK, and, if not, why not?

## **Answer**

The Council of Minister's overarching aim is to achieve a labour market that is flexible, effective and fair. The Social Security department will publish a report in May 2015, which will provide data on the use of zero-hours contracts in Jersey.

Jersey's labour market report from December 2014 showed that 5,990 jobs in the private and public sector were filled on zero-hours contracts. The Jersey Annual Social Survey 2014 showed that 76% of workers on zero-hours contracts reported being 'very' or 'fairly' satisfied with the type of contract, identifying flexibility as one of the main benefits. Evidence from the UK shows that individuals on zero-hours contracts work across the economy, that zero-hours contracts are used by businesses of all sizes, and that individuals may hold a number of them.

Zero-hours contracts allow businesses emerging from difficult economic conditions to employ staff to stimulate growth and, as such, zero-hours contracts can play a vital role in the economy. Benefits for employers include flexibility, supporting expansion plans, retention of skills, and knowledge of the company and its culture. Individuals cite greater choice, opportunities to enter the labour market and a pathway to other forms of employment, as well as flexibility for retirement plans as the benefits of zero-hours contracts.

Zero-hours contracts are not a new phenomenon and they have been used responsibly for many years. They can support business flexibility, making it easier to engage new staff and opening up opportunities for young people. These contracts and other flexible arrangements give individuals more choice and the ability to combine their work with other arrangements. However, the States Assembly (P.100/2013) has already committed to take any action that may be required to restrict any proven misuse of zero-hours contracts.

### **2.23 DEPUTY T.A. MCDONALD OF ST. SAVIOUR OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING THE INVESTIGATION OF MISCONDUCT ALLEGATIONS:**

#### **Question**

The Royal Court Judgement in the case of 'Manning v Minister for Planning and Environment', ([2015]JRC013 dated 15th January 2015) states: "It is absolutely critical that those charged with the administration of this legislation act in a transparently fair and even handed way. Very regrettably this has not been the case here."

Is it the department's procedure, in the first instance, for the Chief Executive Officer and possibly other departmental directors, to examine and respond to complaints regarding the department or staff acting under the officer's responsibility, and, if so, would the Minister advise whether officers or directors will continue to investigate allegations of misconduct, alleged intentional underhandedness, or alleged negligence, which could be made against themselves or officers acting under their direction and responsibility, whilst representing the Minister?

## **Answer**

My department receives informal and formal comments and complaints in relation to its operations and these are carefully considered and assist in service improvements. In relation to Court judgements, these are reviewed by the department and can also help towards changes to policies, processes and procedures.

Complaints, comments or compliments can be made to the department by phone, submitted via the gov.je website or submitted in writing. We try and resolve matters, including informal complaints with the customer straight away. If the complainant is not satisfied with the outcome of their complaint, they are advised to make a formal complaint to the department.

Formal complaints made in writing are fully investigated by a relevant Manager or Director and a response is provided. If the complainant is not satisfied with the result of any investigation they can request that their complaint is reviewed by the Chief Executive Officer of the department. The Chief Executive Officer will investigate the complaint and provide a response. If the complainant is not satisfied with the response they receive from the Chief Executive Officer they will be informed of the procedure they can follow to progress their complaint with the States of Jersey Complaints Board. In some instances the complainant may be able to refer the complaint to another independent body (e.g.: Information Commissioner). Full details of the Department Customer Feedback Policy and complaints procedures are available on the States of Jersey website.

Any matter relating to the conduct of an employee of the States Employment Board, following a formal complaint and investigation, would be dealt with by the department Chief Officer or his nominee in accordance with States of Jersey disciplinary procedure.

## **2.24 DEPUTY T.A. MCDONALD OF ST. SAVIOUR OF H.M. ACTING ATTORNEY GENERAL REGARDING THE PROVISION OF REPORTS TO THE FAMILY COURT:**

### **Question**

Will H.M. Acting Attorney General advise members what actions he would expect States of Jersey departments and/or agencies to take in the event that they had provided the Family Court with reports that contained inaccurate and/or misleading information which may have led to the court taking a particular action or reaching a particular judgment, which may or may not have prejudiced one of the parties, or to documents remaining on file which may be accessed by other parties in the future who were not aware of the inaccurate or misleading information?

### **Answer**

The Family Court is not obliged to accept the content of any report that is put before it. Moreover, a party to the proceedings in the Family Court is entitled to challenge the content of a report in so far as that person feels that the report contains inaccurate information. If such a challenge is made, then the Family Court will make considered findings of fact having regard to all the available evidence. The Court is not obliged to accept any information contained in a particular report.

The Family Court may receive reports from a range of professionals perhaps expressing conflicting views. The Court will make finding of fact and reach conclusions that may or may not differ from the views and information expressed in a particular report. If a party is unhappy with the Court's findings of fact then there is a right of appeal.

If a Department becomes aware during the course of family proceedings that its report is inaccurate in some way then one might expect the Department to raise the matter with its lawyer with the result that an addendum report is produced correcting the position. Even without an addendum report, a party is still entitled to challenge the report at the final hearing. The person who provided the report may or may not add to their report during the course of their evidence. If the Department discovers the true position only after the conclusion of the court process then one would expect the Department to take legal advice as to whether any further disclosure is necessary to the parties involved in the litigation.

If a party has not been prejudiced as the question appears to suggest, or the information said to be inaccurate is very much background and not material to the court's decision as the question appears to imply, then further action may be unnecessary but each case will of course turn on its own facts.

The fact that a report will remain on the Court file is best practice. It is appropriate and indeed necessary to keep an accurate record of what was submitted to the Family Court in a particular case. The Court's judgment will also go on the same file. Anyone seeking access to the file in the future will therefore be apprised of the full facts of the case.

## **2.25 DEPUTY T.A. MCDONALD OF ST. SAVIOUR OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING CASES RECOMMENDED FOR PROSECUTION:**

### **Question**

Will the Minister –

1. Provide a list of all cases the department has recommended for prosecution from January 2008 to April 2015, and in which court (Magistrate's Court or Royal Court), they were presented;
2. Detail the alleged breach of which statutory provision/enactment in each case;
3. Provide the result of each case (withdrawn, dismissed, or resulting in conviction);
4. State whether, given the resources and cost of pursuing and resolving each case, the department believes that each case was sufficiently justified and in the public interest;
5. State whether the department has any reason to believe that there are cases that it has been recommended to pursue by investigation, which are questionable with regards to the lawful procedures and probity in connection with why and how they were pursued and actions taken;
6. Notify the Assembly if the department has any reason to believe that there are cases where investigative officers may have exceeded their duties and taken a non-departmental approach with regards to exercising non-existent rights under the Regulation of Investigatory Powers (Jersey) Law 2005, the Data Protection (Jersey) Law 2005, Criminal Justice (Evidence and Procedure) (Jersey) Law 1998 and the Police and Criminal Evidence (Jersey) Law 2003?

## Answer

The answer has been supplied in parts as set out in the question, as follows:

1. *Provide a list of all cases the department has recommended for prosecution from January 2008 to April 2015, and in which court (Magistrate's Court or Royal Court), they were presented;*
2. *Detail the alleged breach of which statutory provision/enactment in each case;*
3. *Provide the result of each case (withdrawn, dismissed, or resulting in conviction);*

My department is responsible for progressing enforcement actions in relation to several different laws. To provide the detailed information requested by the Deputy in parts 1, 2 and 3 of his question requires several hours of detailed work and I will provide this information to Members as soon as possible.

4. *State whether, given the resources and cost of pursuing and resolving each case, the department believes that each case was sufficiently justified and in the public interest;*

Depending on the law which has allegedly been breached and the particular circumstances of the case my department will consider what action (if any) to take in relation to an alleged breach of the law and will endeavour to avoid taking formal action unless necessary. My department will refer some cases to the States of Jersey Law Officers' Department or to the appropriate Parish Centenier before a case is brought to the Magistrate's or Royal Courts. The public interest test in deciding whether to bring a prosecution to the Courts is made by the Attorney General's Office or appropriate Parish Centenier. Officers from my department may submit a report to the Attorney General's Officer or Parish Centenier outlining an alleged breach of the Law, but it rests with the Attorney General's Office or Centenier to decide if to proceed with a prosecution.

5. *State whether the department has any reason to believe that there are cases that it has been recommended to pursue by investigation, which are questionable with regards to the lawful procedures and probity in connection with why and how they were pursued and actions taken;*

My department only progresses enforcement matters it believes merit action and cases are only brought to the Courts following States of Jersey Law Officers' Department or Parish Centenier review and support.

6. *Notify the Assembly if the department has any reason to believe that there are cases where investigative officers may have exceeded their duties and taken a non-departmental approach with regards to exercising non-existent rights under the Regulation of Investigatory Powers (Jersey) Law 2005, the Data Protection (Jersey) Law 2005, Criminal Justice (Evidence and Procedure) (Jersey) Law 1998 and the Police and Criminal Evidence (Jersey) Law 2003?*

Any matter relating to the conduct of a States Employment Board (SEB) employee is dealt with by the department Chief Officer or his nominee in accordance with agreed SEB policies and procedures.

If the Deputy is aware of any irregularities within my department I would ask that these are brought to my attention, or the attention of the Department Chief Officer, in order that these are

investigated. I would welcome the opportunity to meet with the Deputy to discuss any concerns he has.

### **3. Oral Questions**

#### **Connétable L. Norman of St. Clement:**

I wonder if I might ask for indulgence, Sir. I have a hospital appointment at 10.30 a.m. I also have a question that has been laid for me to answer from Deputy Tadier. Now, to enable me to honour both of those commitments I wonder if the Assembly would agree to move question 10 to the top of the list of oral questions?

#### **The Deputy Bailiff:**

Sounds reasonable. Does the Assembly agree? In which case we will take question 10 first. Deputy Tadier will ask a question of the Chairman of the Privileges and Procedures Committee. Deputy Tadier.

#### **3.1 Deputy M. Tadier of St. Brelade of the Chairman of the Privileges and Procedures Committee regarding the establishment of an independent boundary commission:**

Does the Chairman consider that there is a need for an independent boundary commission to be established to review and create a fair distribution of seats, and, if so, when can we expect such a commission to be engaged, and if not, why not?

#### **The Connétable of St. Clement (Chairman, Privileges and Procedures Committee):**

The simple answer really is that it is too early to say. The Privileges and Procedures Committee has established a sub-committee to investigate further the question of reform and while we are in the early stages of our life we do intend to thoroughly review the current electoral arrangements, including constituency boundaries. Above all the sub-committee considers that the priority of any reform proposal should be to improve voter equity and create a fairer distribution of seats. Nevertheless at this stage it is difficult to see how an eventual reform proposal might look and indeed whether a boundaries commission will be required.

#### **3.1.1 Deputy M. Tadier:**

Do we not already know the answer because the work was done by the previous P.P.C. (Privileges and Procedures Committee)? The way to do it is that we know that Senators will remain, we know that Constables will remain and the only fair way to get voter equity and fairness, which the Connétable referred to, is to revise some of the seats and their boundaries. If he does agree with that presumably this can only be done by some independent body, and so the question is why not save a lot of time? We know what any review is going to come out with because there are only very limited options, and engage the Boundary Commission now to help with that work.

#### **The Connétable of St. Clement:**

The Deputy has made some presumptions that Constables are going to stay and Senators are going to stay, which have not been confirmed by this Assembly, and until they are confirmed by this Assembly we really cannot accept those presumptions.

#### **3.1.2 Connétable A.S. Crowcroft of St. Helier:**

Is the Chairman confident that his committee will finish its work and bring recommendations to the States for implementation in time for the next election?

**The Connétable of St. Clement:**

In view of the history of reform proposals over the last 15 years it is difficult to have such confidence. What I have committed myself to is to bring a proposition to the States at about this time next year, subject to the work we are going to be doing during that period, and part of that work - and an important part of that work - will be consulting with States Members at every stage of our deliberations, so that rather than bring a proposition which is simply the P.P.C.'s recommendations is that we recognise that we have some support, some consensus, from Members of the States.

**3.1.3 Deputy A.D. Lewis of St. Helier:**

So will the Connétable be considering another Mori-type poll to gauge public opinion? We have had a referendum and the people spoke, but we still ignored that result. Would he consider a full Mori-type poll again to gauge public opinion as it is today, rather than what it was when we reviewed it under Clothier?

**The Connétable of St. Clement:**

As the Deputy implied, we have had a referendum. We have had 2 referendums on reform. We ignored the result of one such referendum, and have not yet considered the result of the second. So at the end of the day whatever the public think and tell us the decision will be made by the people's elected representatives, that is the Members of the States.

[9:45]

Of course we will have to consider public opinion very strongly as well during the period of consultation, but at the end of the day we cannot hide from the fact that the decision will be made by Members of the States.

**3.1.4 Deputy M. Tadier:**

I will ask the Chairman, does he agree that we already know that the Parishes of St. Mary, St. John and St. Lawrence are over-represented and need to have one of their representatives removed, and that St. Helier and St. Clement are both under-represented and need additional representatives, if we are to achieve fair representation under the current system?

**The Connétable of St. Clement:**

Yes, that is absolutely true and that is why my committee is committed to improve voter equity and a fairer distribution of seats. What we have got to work on over the next 12 months is how that is going to be achieved.

**The Deputy Bailiff:**

That brings us on to the next question which is a question Deputy Tadier will ask of the Minister for External Relations.

**Deputy M. Tadier:**

Thank you, but I do not think I can ask that question. The Minister for External Relations is not here and I only ask questions to the Ministers who have been elected for that particular role but I would like to know at which point did we know that the Minister for External Relations would not be present for question time, and if it was before questions were lodged on Thursday why were Members not informed of that to save a lot of wasted time and energy?

**The Deputy Bailiff:**

Well, Deputy, if I could interrupt you, because under the States of Jersey Law in the absence of the Minister for External Relations the Chief Minister is fulfilling his functions and the Chief Minister is therefore able under the law to answer the question.

**Deputy M. Tadier:**

I understand that, but I want the question to be asked of the Minister for External Relations otherwise it is a waste of time from my perspective, because it is to do with the Minister for External Relations' personal views and how they impinge, potentially, on his role, so I will have to forgo that.

**The Deputy Bailiff:**

It is a matter for you if you ask the question but if you do not want to ask the question we will move on to the next question.

**Deputy M. Tadier:**

Sir, could I seek direction, though, just as a point of housekeeping? It seems to me that if Ministers are going to be absent for States Assembly, and I completely accept that they have competing pressures externally, that we should at least be informed if they are aware of that before the Thursday so we can make alternative arrangements and not put the Greffier through unnecessary wasted energy, and perhaps use our questions in a more directed way.

**The Deputy Bailiff:**

I think you have made your point. That brings us on to the second question the Connétable of St. Helier will ask of the Minister for Treasury and Resources.

### **3.2 The Connétable of St. Helier of the Minister for Treasury and Resources regarding the reform of the administration of tax returns:**

Would the Minister inform the Assembly whether there is a timetable for the reform of the administration of tax returns to enable married women to be treated equally in the eyes of the tax system and have full autonomy for their own tax affairs?

**Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

A feasibility report on the introduction of independent taxation was published in 2013. This report indicated that recommendations for change should be included in Budget 2016 that will be debated by this Assembly later this year. That is the timetable that my department are working to, and that I support.

**The Connétable of St. Helier:**

I thank the Minister for his answer.

### **3.3 Deputy A.D. Lewis of the Minister for Transport and Technical Services regarding the provision of services for the incineration of Guernsey's waste:**

Can the Minister update the Assembly as to how negotiations with the States of Guernsey are progressing with regards to the possibility of Transport and Technical Services providing services for the incineration of Guernsey's waste?

**Deputy E.J. Noel of St. Lawrence (The Minister for Transport and Technical Services):**



As Members will recall from my answer to a similar question from the Deputy in November, the Transport and Technical Services Department supplied Guernsey with indicative costs for the processing of waste at La Collette Energy from Waste Plant in August 2013. These costs were provided in response to an expression of interest request for the transport and treatment of residual waste from the States of Guernsey. In this expression Jersey gave details of the Jersey Energy from the Waste Plant's spare capacity and an indicative gate fee cost. Guernsey had several replies to the tender request and following evaluation of the expressions of interest returns the Jersey gate fee was not as competitive as some of the other organisations. This is not surprising because many of the competing companies own very large-scale energy from waste facilities whose primary aim is to provide electricity. The Jersey plant was built to service Jersey which is relatively small in comparison, and was developed to deal with our waste and our future waste, not the production of electricity, which is merely a by-product. However, there is an opportunity to utilise the plant's spare capacity while the Island's waste arisings are relatively low. It is probably worth saying to make it very clear that the solution for the Guernsey waste rests with Guernsey. Guernsey will not start exporting until at least 2016, and probably 2017, as they need to build a significant on-Island facility to pre-treat, recycle and sort and prepare the waste. If Guernsey decides that the Jersey option is favourable then we will have to decide as an Assembly ourselves whether or not to accept waste from other jurisdictions. I hope that I can provide the Deputy with comfort that my officers and their Guernsey counterparts are in frequent dialogue and that they are working together to hopefully provide a Channel Islands-based solution. It is my belief that a Channel Islands solution to dealing with waste and recycling for both Islands would have significant benefits and indeed support our local transport needs.

### **3.3.1 Deputy A.D. Lewis:**

The Minister will be aware that within the Ports of Jersey case for incorporation 9 projects are identified with which contribute to the ongoing revenue requirements of the ports, with incorporation of Guernsey's waste as one of them. Furthermore, this is also identified as a key objective in the M.T.F.P. (Medium-Term Financial Plan). Can the Minister assure the House that negotiation is not further delayed in such a way that there will be an adverse impact on both incorporation of Jersey's Ports and consequently the M.T.F.P.?

### **Deputy E.J. Noel:**

Unfortunately there already has been an impact on the income figures for T.T.S. (Transport and Technical Services) in the current M.T.F.P. of circa £1.5 million, which we are going to have to meet that shortfall in income from within our own resources. We are keen to work with our Guernsey colleagues. Officers from both Islands do have an active dialogue and in fact we are meeting with our Guernsey colleagues in Jersey in the latter part of next month, being May. This is something that I personally am keen to bring forward, but as I have said previously in this Assembly it has to be a win-win situation for both Jersey and for Guernsey, and we cannot take Guernsey waste and use Jersey taxpayers' money to subsidise that, so it has to be of mutual benefit to both Islands.

### **3.3.2 Deputy J.A. Martin of St. Helier:**

I would just like the Minister for Transport and Technical Services to remind the Assembly that there are capital costs in the tender or, as he put it, expression of interest and costings. Can he inform the Assembly as well when expressions of interest and the costings have been put into forecasted budgets which are at this stage, the Minister's own words, only expressions of interest, how long has this been going on and does he think it is a good way to forecast next year's budget in the M.T.F.P.?

### **Deputy E.J. Noel:**

As we have already provided Members today in a written question this sets out the timetable of when this whole process started, and that was back in June 2007, and it continues today. As I said, Guernsey's waste solution is a Guernsey solution. If we can help them by accepting that waste here and using the spare capacity while we have it in our own Energy from Waste Plant as a short-term measure and it works for both Islands and it is a win-win and there is no cross-Island subsidy between different taxpayers then it is a good thing to do.

### **3.3.3 Deputy J.A. Martin:**

A supplementary. Does the Minister not understand the concept of bird in the hand? We have not got this contract but he is forecasting the income from it in projected budgets. Does he agree this is wrong?

### **Deputy E.J. Noel:**

It was not my forecast in the budget, and I agree with Deputy Martin. We should be prudent in our forecasting and I believe the Treasury team are doing so in the next M.T.F.P. and our income projections.

### **3.3.4 Deputy C.F. Labey of Grouville:**

My question only requires a simple answer, yes or no. Was our incinerator designed to a size and scale to accommodate Guernsey's waste?

### **Deputy E.J. Noel:**

To my knowledge the answer is a simple no, for the Deputy of Grouville. It was designed to cope with Jersey's waste, both now and its projected waste in the future.

### **3.3.5 Deputy M.R. Higgins of St. Helier:**

The Minister goes on about that he is looking for a win-win situation whereby Jersey is not subsidising Guernsey's waste. Is it not a fact that Guernsey have been offered considerably lower prices for their waste in Cherbourg and other out of Island locations and there is no way that Jersey would be able to match it without providing a subsidy for Guernsey?

### **Deputy E.J. Noel:**

You have to compare apples with apples, not apples and pears. The other different facilities where Guernsey could export their waste to provided a gate fee. That is not the overall cost involved to Guernsey, so if Guernsey considers the overall cost of disposing with their waste then I believe that Jersey in the short-term can be competitive.

### **3.3.6 Deputy M.R. Higgins:**

Supplementary. Will the Minister provide Members with a detailed written breakdown showing from their knowledge of Cherbourg and other places what the difference is in cost? I think Members will find out it is quite considerable.

### **Deputy E.J. Noel:**

It is data that I believe is probably readily available on places such as the internet, but I do have a breakdown that I can circulate to Members and indeed it has already been previously circulated to Members, which gives a breakdown of the different waste process gate fees that were supplied to Guernsey back in 2013. That information has already been given to Members quite some time ago.

### **3.3.7 Deputy G.P. Southern of St. Helier:**

As part of his conversations with his Guernsey equivalents will he not keep one eye on the sums listed on appendix A of the Resources Statement of the Strategic Plan that suggests that we are

£2.5 million a year light and that it would be in our mutual interests, both Jersey and Guernsey, to cover at least those costs?

**Deputy E.J. Noel:**

It is in Jersey's interest to get a contribution to its marginal cost of our Energy from Waste Plant in the short-term, while we have spare capacity.

**3.3.8 Deputy A.D. Lewis:**

Thank you for the Minister's responses. I understand there is still 30 per cent capacity at the moment, so every effort should be made to negotiate with Guernsey, and I do hope that in May the Minister has some successful negotiation to move things forward. Also, does the Minister agree that successful negotiation with Guernsey will also enable T.T.S. to further consider other revenue streams, such as the processing of commercial waste by way of a gate fee, which will encourage high levels of recycling and significantly contribute to the ongoing costs of operating the E.f.W. (Energy from Waste) Plant?

**Deputy E.J. Noel:**

I believe there is a lot of synergy between myself and Deputy Lewis of St. Helier. That is exactly what we are trying to do. I hope that we have some very fruitful discussions with our Guernsey colleagues, but at the end of the day Guernsey's waste solution is Guernsey's waste solution. If we can facilitate and take part in that solution then all good, but it is their solution. With regard to having a gate fee, I said back in November in my speech to be appointed as the Minister for Transport and Technology Services that I favoured certainly introducing a gate fee for commercial waste. It is ludicrous whereby developers can take their lorries to our Energy from Waste Plant, and dispose of their waste for free at the cost to the taxpayer. That is something that I am in discussions with the Constable of St. Helier about and it almost crops up virtually every conversation that we have about lifting of the covenant at Bellozanne which would allow this.

**The Deputy Bailiff:**

Can I just remind Members that questions and answers should be succinct, please?

### **3.4 Deputy M.R. Higgins of the Minister for Treasury and Resources regarding the Zero/Ten tax policy:**

Will the Minister, using the latest figures, advise members of the total amount of revenue lost on an annual basis through the Zero/Ten tax policy and, in particular, the reduction in corporation tax for financial service firms from 20 per cent to 10 per cent, the 0 per cent tax for all non-utility companies and the estimated annual loss of income that will occur from reducing the marginal rate of tax in the 2015 Budget?

**Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

The Deputy is misleading to suggest that the move to Zero/Ten led to a loss in overall tax revenue. The change in corporate tax allowed Jersey to remain competitive in international financial services and retain a very high value industry that provides 40 per cent of our G.V.A. (Gross Value Added) as well as approximately 12,500 jobs, good levels of pay and all the tax revenues that stem from it.

[10:00]

The tax revenue collected from financial services companies as defined in the Income Tax Law was £116 million in 2008, and in 2009 as a result of the planned move to Zero/Ten it reduced to approximately £57.5 million, as was predicted at the time. However, compensating measures have ensured that our overall revenues have continued to rise. The tax loss from non-locally owned

0 per cent trading companies is estimated at £7.6 million. In answer to Deputy Higgins's final point, the loss of revenue in respect of the reduction in the marginal rate of tax was in fact in the 2014 Budget, not 2015 as the question suggested, but nevertheless the reduction is estimated to be £8 million.

#### **3.4.1 Deputy M.R. Higgins:**

A supplementary. In fact question 2 of the written answers today gives figures for the amount of tax we are going to receive from financial services companies in 2014. It is £63,226,000. That is based on a 10 per cent corporation tax. Had we not reduced the tax from 20 per cent to 10 per cent we would be getting another £63 million.

#### **The Deputy Bailiff:**

Deputy, could you ask the question, please?

#### **Deputy M.R. Higgins:**

Yes, Sir. I am coming to it. The Minister has made various statements that are incorrect.

#### **The Deputy Bailiff:**

Well, yes, but this is question time, not speech time, and you will have to ask him a question.

#### **Deputy M.R. Higgins:**

I am coming to the question. Finally, £17 million is the figure for 0 per cent loss of the companies, not £7 million. So can the Minister accept that we have lost £78 million because of the introduction of Zero/Ten and therefore that our deficit is largely an own goal from the policies of the Council of Ministers?

#### **Senator A.J.H. Maclean:**

No, sadly I do not agree with the Deputy. Our shortfall in revenue is as a result of increasing expenditure, not a lack of revenues. We can see that our revenues are in fact continuing to rise, not, I hasten to add, at the level that was forecast, and I think therein lies the issue. The forecast was higher and we have not achieved those levels of revenue, but our expenditure has continued to rise. I should also point out that with regard to corporate taxation during the course of the recession the corporate tax take fell to £49 million in 2010 and then recovered to £62 million in 2013 and is projected now as the Deputy rightly said at £63 million. So we are seeing financial services companies' revenues increase, so the recovery is taking hold and that is to be welcomed, as we can see from the increase in job numbers, up 400 recently in the financial services industry.

#### **3.4.2 Deputy G.P. Southern:**

Does the Minister have at his fingertips the reasons why the estimates of tax revenue have fallen so far to produce a £125 million deficit?

#### **Senator A.J.H. Maclean:**

First of all, it is not described as a deficit. The Deputy is referring to the shortfall in funding by 2019. That is largely predicated on chosen spend, particularly investment in health and education, which accounts for £57 million of that particular number. So these are choices that have to be made, as to whether we want to improve on our services. With regard to the forecasts, it is difficult to estimate precisely the reason why they were over-estimated. Nevertheless, I have, since taking up post at Treasury made some changes to the income forecasting group, broadened the remit and I am now satisfied that as we move forward and particularly for the purposes of planning for the next Medium-Term Financial Plan that a very prudent and accurate as possible forecast will be produced. I have to emphasise to Members of course that forecasts are exactly that. They will

change. In fact our latest forecast we plan to update in May, but Members will be kept fully informed of progress.

### **3.4.3 Deputy G.P. Southern:**

Call it what you like, call it deficit, call it shortfall, it does not matter. Will the Minister be honest to the public on this Island and explain how he is going to raise revenues to meet the demands that society makes on it for spending? When is he going to admit that his economic model of low spend, low tax, is broken?

### **Senator A.J.H. Maclean:**

I am afraid I am not going to answer that question until the Deputy withdraws his suggestion that I have been dishonest.

### **Deputy G.P. Southern:**

I said the Minister can call the deficit what he likes. A deficit or a shortfall, as he wishes, but will he be honest with the public and say he is going to have to raise taxes?

### **The Deputy Bailiff:**

Deputy, I do not think I took you to be suggesting that the Minister was in fact dishonest, merely you were asking for the Minister to provide information. Am I correct in that understanding?

### **Deputy G.P. Southern:**

Absolutely, Sir.

### **Senator A.J.H. Maclean:**

I would ask the Deputy to repeat his question. When he started to be somewhat insulting I stopped listening.

### **Deputy G.P. Southern:**

The Minister is very good at that, not listening. He has not heard me for the last 14 years. Could the Minister explain to Members and the public - especially the public, the voting public - that the time has come when he has to raise taxes further? Call it a health tax and call it £35 million, or call it proper reform of the taxation system, but he has to look at raising additional funds, because otherwise he cannot make the sums balance because his economic model of low tax, low spend, is broken.

### **Senator A.J.H. Maclean:**

I think we have been perfectly clear, both with Members and with the public. The plan for dealing with the funding shortfall by 2019 is threefold. First, £60 million of savings which are largely staff savings, which have been explained. Second, £35 million of efficiencies which includes within them consideration of various fees and charges where services are not currently delivered at cost to recover costs, and the final £35 million is to look at and explore the possibility of a health charge for further investment in health. I have already pointed out this morning that £57 million of the proposed £125 million funding shortfall by 2019 is investment in health and education. Nearly £50 million of it in fact is in health and that is why the possibility of a health charge needs to be something that both Members in this Assembly debate, but also the wider community.

### **3.4.4 Deputy J.A.N. Le Fondré of St. Lawrence:**

Does the Minister accept that the reduction in the marginal rate that cost us £8 million in lost revenues was unaffordable?

### **Senator A.J.H. Maclean:**

Sorry, I did not get the last word. Un... what?

**Deputy J.A.N. Le Fondré:**

Does the Minister accept that the cut or the reduction in the marginal rate of income tax, which cost us £8 million a year, was unaffordable?

**Senator A.J.H. Maclean:**

I think that we have plans in place to balance budgets by 2019, which would suggest that it is possibly affordable. I suspect, though, that we will need to look very carefully at that particular measure in relation to the budget later this year.

**3.4.5 Deputy S.Y. Mézec of St. Helier:**

Could the Minister state whether or not he agrees that since the introduction of Zero/Ten the only reason that we have not hit a shortfall sooner is because of the introduction of regressive taxation in the form of G.S.T. (Goods and Services Tax) and would he pledge in future, if taxes have to go up, that instead of being focused on the poor, like last time, they focus on high earners?

**Senator A.J.H. Maclean:**

I think the Deputy and I have fundamental differences of opinion in this regard. There were a number of measures put in place to mitigate the result of Zero/Ten - the move to Zero/Ten - and that included broadening the tax base. One of those measures of course was G.S.T. At the time Jersey was one of the very few, if not the only, jurisdictions that did not have a consumption-based tax. The low level is something that we should celebrate and ensure that we maintain, and that is something that I am absolutely determined that we do everything in our powers to achieve.

**3.4.6 Deputy M.R. Higgins:**

According to my calculations £86 million of deficit is as a result of the change from Zero/Ten and the marginal rate reduction. Going back to the marginal rate reduction, Deputy Le Fondré took part of what my question was. An £8 million reduction in marginal rate is a permanent reduction in tax, and there is no justification for that at a time when we are already forecasting a deficit. Will the Minister give an undertaking that he will revise it and bring it in the next budget so that it comes into effect that that reduction does not take place before ... sorry, I will rephrase that. Will he bring in measures to reverse that decision, or try to reverse that decision, before it is implemented? That is £8 million permanent loss.

**The Deputy Bailiff:**

So what is the question, Deputy Higgins?

**Deputy M.R. Higgins:**

Just to make sure it is clear, an £8 million reduction to our tax, which is totally not justified on any criteria, because it goes against F.P.P. (Fiscal Policy Panel) policy.

**Senator A.J.H. Maclean:**

First of all to clarify a point, the benefit from the marginal rate is already being seen by taxpayers, so it is already being received. So that makes the matter somewhat more difficult, but what I can tell the Deputy and I think I was alluding to, in the previous question, is that the issue of the marginal rate is one that is being considered for the budget for this year. We are looking at the impact of what change was made at the last budget and indeed whether we will look to reverse that.

### **3.5 Connétable C.H. Taylor of St. John of the Minister for Transport and Technical Services regarding the village improvement scheme for St. John:**

Could the Minister advise what sum of money has been spent to date on the village improvement scheme for St. John, including all officer time and all consultants' fees, architects' fees, and other fees and costs?

#### **Deputy E.J. Noel (The Minister for Transport and Technical Services):**

As the new chair of the Parish Project Board which leads and directs the work to be undertaken in St. John I am somewhat bemused why the Constable has chosen to ask this question in the Assembly, rather than merely approaching the Technical Services staff that he has at his disposal to develop out this Parish scheme. However, the answer is £35,394 and the breakdown is as follows. Architects £10,382, traffic analysis £3,036, survey work and traffic data collection £8,382, T.T.S. office time £12,363, consultation materials £1,350. These figures are proportionate to the overall scale of the potential scheme and the road safety benefit that it will deliver. Should the Constable wish to continue or bring forward a scheme without T.T.S. support he only needs to say and I will reprioritise my officers on to other projects.

#### **The Deputy Bailiff:**

Connétable, supplementary question?

#### **3.5.1 The Connétable of St. John:**

Does the Minister not agree that the sum of money should be consulted with the Constable throughout the progress? Mindful of what happened with the Sea Cadets, I would hate to see a repetition within my own Parish, and I would ask that we are kept abreast within the Parish of all monies that are spent on our behalf. Thank you.

#### **Deputy E.J. Noel:**

As I said, I go back to my opening sentence. I am surprised that the Constable is asking for that information in this Assembly when he is the chair of the project board and he has direct access to the officers involved, and they will provide that information quite willingly, as they have done throughout all of the other 3 Parish projects. Again, I repeat, if he does not want T.T.S. to be involved and wishes to go it alone then please let the Constable say so and I will reprioritise my officers on to other important matters, which is something I may have to do in any event.

### **3.6 Deputy S.Y. Mézec of St. Helier of the Chief Minister regarding the Resources Statement to the Draft Strategic Plan:**

Following the Government's presentation to the States of the Resources Statement on 21st April 2015 (P.27/2015 (Add.)), what consideration, if any, has the Government given to an alternative strategy ("Plan B") for addressing the shortfall in funding in the event that States income forecasts are reduced and it becomes apparent that "Plan A" is not working?

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

The Resources Statement has been developed with economic advice from the Fiscal Policy Panel and the current range of income forecasts from the Income Tax Forecasting Group. A further review of the income forecast will be presented to the Council of Ministers in May to ensure that when lodged the next Medium-Term Financial Plan is based on the most up-to-date information. As recommended also by the Comptroller and Auditor General we are proposing to amend the Public Finances Law to give us more flexibility in our financial planning process. It will mean we

can adjust our spending plans during the period of the M.T.F.P. if we see changes in income and economic forecasts.

### **3.6.1 Deputy S.Y. Mézec:**

What the Chief Minister did not indicate in that, he talked about allowing flexibility and being able to change spending patterns. That has not addressed whether they are minor alterations to spending plans, or whether it is something major and something that could constitute an entirely different plan altogether, depending on what future circumstances end up being, so could he indicate whether those changes are so minor that they are just slight alterations, or whether they would constitute a different plan altogether?

### **Senator I.J. Gorst:**

I am not quite sure what the Deputy is asking me. He is asking me what hypothetical changes there could possibly be in the future and whether the M.T.F.P. is able to accommodate such changes? Perhaps I could answer by reiterating what I just said, and that is that we are proposing to give greater flexibility to the M.T.F.P. to accommodate minor and major changes during the course of the period.

[10:15]

### **3.7 Deputy G.P. Southern of the Minister for Social Security regarding the Resources Statement to the Draft Strategic Plan:**

Will the Minister inform members what “changes in benefit expenditure are being considered” under the themes of “promoting financial independence”, “improving targeting of benefits”, and “minimising individual impact” on page 18 of the Resources Statement to the Draft Strategic Plan, and if not, why not; and will she further state what proportion of the £35 million reduction in spending labelled “other” on page 19 has been targeted for benefit changes

### **Deputy S.J. Pinel of St. Clement (The Minister for Social Security):**

As a member of the Council of Ministers I am working very closely with my colleagues on the details of the proposals that are outlined in the Resources Statement. All benefits are being reviewed, just as all areas of the public sector are within scope for restructuring. As the review has just begun it is too soon to be specific about which benefits will be affected. Proposals for 2016 will be lodged as part of the Medium-Term Financial Plan. Proposals for future years will be part of the annual budgets each year. The new Medium-Term Financial Plan will be published on 30th June in line with the 12-week lodging period required. The details of the plan will be finalised over the next 2 months in order to meet the statutory timescale. Likewise, it is not appropriate at this stage to identify the specific proportions that will make up the £35 million shown on page 19 of the Resources Statement. I will be working with my Ministerial colleagues on these details over the next 2 months. It is important that all options are carefully considered before the final plan is drawn up.

### **3.7.1 Deputy G.P. Southern:**

Can the Minister, while revealing nothing, at least say whether the target for her reductions or savings in benefits are tax-funded or are contribution-funded?

### **Deputy S.J. Pinel:**

As I said in my opening answer, the whole scope of benefits are being looked at, every single one, both tax-funded and contributory, and I appreciate that it is very frustrating that these details are not yet available. However, Members are now fully aware of the size of the financial challenge that we



face and it is incumbent upon the Council of Ministers to explore all options to ensure that the final proposals put forward in the M.T.F.P. 2 will be achievable.

**3.7.2 Deputy G.P. Southern:**

The Chief Minister talked about flexibility of targets. Will the Minister for Social Security indicate how much flexibility she has with her targets? Is it possible, for example, that there will be zero cuts to benefits under her regime and is that an option or is she talking about, she must produce some proportion of that £ 35 million saving or not?

**Deputy S.J. Pinel:**

Firm savings and restructuring proposals for 2016 will be part of the M.T.F.P. in June. At that stage only broad figures will be available for 2017, 2018 and 2019 and firm proposals for those years will be proposed in the annual budgets. I repeat my answer in the first question that the whole of the benefit system in Social Security is being looked at.

**3.7.3 Deputy G.P. Southern:**

Does the Minister not appreciate that for those who have to rely on benefits, and nobody likes relying on benefits may I assure her, but to those who have to rely on benefits to eke out a fairly basic living it must be very worrying to the people out there to recognise what she is saying, that some benefits will be cut in the coming years. Does she not empathise and sympathise with those who are dependent on benefits at present?

**Deputy S.J. Pinel:**

Of course I do thoroughly empathise with people who are finding it very difficult to cope in financial circumstances at the moment but we have to review across the whole gambit of all the contributions and the tax-funded benefits and achieve a measure of affordability, balance and common-sense across the whole piece.

**3.8 Deputy J.A. Hilton of St. Helier of the Minister for Social Security regarding apprentices in their first year of training:**

Will the Minister take action to review the policy which leaves apprentices in their first year of training, who earn £5.09 per hour, out of pocket if they have the misfortune to fall sick and require time off work because they have not earned enough to pay contributions to the minimum earnings threshold for entitlement to sickness benefit?

**Deputy S.J. Pinel (The Minister for Social Security):**

As Members will be aware, we will need to make significant changes in the near future to keep the Social Security Fund, or Pension Fund, sustainable over the next few decades. For example, we will need to look at options that could include an increase in contributions to maintain the current benefits, a reduction in the range of benefits, a reduction in the value of benefits provided. As Minister responsible for the Social Security Fund I must balance the needs of individuals against the needs of the population as a whole. The eligibility rules for contributory benefits, including sickness benefit, control the way in which the fund is used. Inevitably there will always be individuals who, for a variety of reasons, fail to satisfy the contribution requirement to claim a specific contributory benefit. The income support system is available to support local workers at times when their earned income does not meet their basic living costs. For example, a local worker who is not paid by their employer during a period of sickness will get means-tested assistance from Income Support if the loss of wages has a significant impact on their total household income. Minimum Wage rates are currently subject to annual review by the Employment Forum. The role

of the forum is to make recommendations to the Minister, having balanced a number of factors, including the economy, competitiveness and jobs in order to maintain an appropriate level of Minimum Wage in the Island. The 2 trainee rates are set as part of this process. A review of the Minimum Wage rates for 2016 will commence shortly and a major review of the sustainability of the Social Security Fund is planned for later in the year. Both reviews are open to comments from States Members and the public at large and I would encourage anyone interested in this area to make a submission.

### **3.8.1 Deputy M. Tadier:**

The Minister said that she would consider increasing contributions as one way to solve the problem. Would she give an assurance that if contributions are increased that the first people to face the increase will be those who have their current liability capped at the standard earnings threshold because they could certainly be the ones paying a flat rate of 6 per cent, after all the rest of the population - the majority - have to pay that rate, and that could be a very good way, not even a progressive way but a proportional way, to help them solve finance issues. I am sorry I did not have my microphone on but I will not repeat that.

### **Deputy S.J. Pinel:**

I thank the Deputy for his question. Just very briefly, a trainee or anyone else on Minimum Wage working a 40 hour week is earning above the lower earnings limit.

### **3.8.2 Deputy M. Tadier:**

I think the Minister perhaps misunderstood. When we are talking about the standard earnings limit of roughly £47,000 to £48,000 a year, anyone earning above that does not pay any extra so could that be something to be looked at as a fair and sustainable way of funding the system?

### **Deputy S.J. Pinel:**

We are doing exactly that in our review.

### **3.8.3 Deputy G.P. Southern:**

Just for the sake of clarity, because the Minister failed to answer the question in the first place at all, I wish to just confirm that an apprentice in the first year of training who earns £5.09 per hour, the minimum apprentice rate, would be paying sufficient contributions to entitle himself, should he fall sick, to claim sickness benefit? That is the case, is it not?

### **Deputy S.J. Pinel:**

It is very difficult, the way it is worked out. The social security contributions, as the Deputy will well know, are based on the number but one of the quarter; so not the preceding quarter but the one in advance of that as it is the only way that it can be worked out in order to provide the contributions. It is also very dependent on whether a trainee, or any employee, is paid weekly or monthly. Some months have 5 Fridays in them, some have 4. If, in the event that only 38 hours is accumulated in that week instead of 40 the trainee or employee may fall slightly short of the contributions for the quarter that was paid for 2 quarters ago.

### **3.8.4 Deputy G.P. Southern:**

Does the Minister not find it embarrassing that we should set apprentice rates which with the slightest variation in terms of a bit of illness would result in people falling out of the safety net that we have established in the sickness benefit to support those workers who fall ill in the course of their work? Does she not think that the system is predicated on too fine margins and that we should not be stopping people from claiming sickness benefit when that is our safety net that this House has put in place?

**Deputy S.J. Pinel:**

I can give the Deputy a couple of figures to allay his fears a little perhaps. The weekly equivalent of the lower earnings limit is £195.69. Now, a Minimum Wage on a 40-hour week, which is what we are talking about here, is £271.20, so that is well above the lower earnings limit. A minimum trainee rate, which is year one, is £203.60, again above, and the trainee rate year 2 is £237, which again is above. There is also the option that employers could help pay for the sickness benefit of their employee.

**3.8.5 Deputy J.A. Hilton:**

There are a huge amount of figures talked about there. My understanding is that there will be a group of young trainees who would be left out of pocket. One of my big concerns is that you could possibly have a trainee in the first year who is living independently of their parents in bedsit accommodation and under low income support anybody aged under 25 does not qualify for rent relief. So they could be left in an extremely difficult situation.

**The Deputy Bailiff:**

Could you ask a question?

**Deputy J.A. Hilton:**

So my question is; I am pleased to hear that the Minister has said there is going to be a review of all the benefits and everything else and I would like to know what sort of timeline she is referring to that she can come back to the House and that we know that our young people are being properly cared for.

**Deputy S.J. Pinel:**

I have a very complicated table of figures which I can provide the Deputy with later which will answer some of the questions. There is always, in any system, going to be somebody who at some stage falls through a net when a system is designed to cope with the whole of the population. As regards to social security review we are doing that this year so it should be available, hopefully, by the end of the year.

**3.9 Deputy G.P. Southern of the Chief Minister regarding the removal of posts from the public sector workforce to achieve savings:**

What estimate does the Chief Minister have for the number of posts that will be required to be removed from the public sector workforce to achieve the target of £60 million savings; how will this reduction be spread across current departments; and will the Minister publicly assure members that where outsourcing, privatisation or incorporation is involved, then the T.O.P.S.E. (Transfer of Public Sector Employees) agreement will be applied

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

Ministers are working with staff and unions to restructure the public sector making savings in some areas so that we can spend more in others, like health and education. Half our spending is on staff and we want to reduce those costs by £60 million. It is not yet possible to estimate how many posts will be removed from the public sector as the organisation is restructured. We will focus on reconfiguring services and becoming more efficient. If outsourcing is used consideration will be given as to how the Transfer of Public Sector Employees, T.O.P.S.E., policy may be applied in the particular circumstances of each case.

**3.9.1 Deputy G.P. Southern:**

Does the Minister have any estimate or no estimate whatsoever because just on a rough and ready calculation one can see that in order to save £60 million something of the order of 1,000 posts will have to be removed to save that sort of money. Is that the sort of figure he is dealing with?

[10:30]

**Senator I.J. Gorst:**

I accept that the Deputy wants to have a headline-grabbing figure coming out of his question this morning but what he is not reminding Members of is that each year in the public service something like 550 posts are turned over; retirees, contracts stopping, natural change and therefore it is absolutely appropriate that we look at our service, we configure it, we look to drive efficiencies and that is the work that we have started to do. So I cannot give him the number that he wants but if he looks at the underlying numbers he will see that there is scope for the change that Ministers are talking about; that coupled, of course, with pay restraint.

**3.9.2 Deputy M.R. Higgins:**

Last week, in the briefing that States Members received, the Chief Minister indicated, and I may be wrong on this figure and he can correct me, something like 260 new jobs were going to be created in the public sector going forward in health or education. So, therefore, again they are not at the lower end of the scale, we always know that the cuts normally come at the lower end of the scale. It is going to have a terrible impact. Not 260 jobs but more than 260 jobs would have to go just simply to cover the new ones if we are going to have no growth in the public sector. Will the Chief Minister undertake to provide the Members with the projections sooner rather than later so we can start analysing what is going on?

**Senator I.J. Gorst:**

This is the process, rightly, looking across departments and that is extremely important if we are to de-layer managers in the way that Ministers wish to do right across departments so that duplication of functions on the administrative and management areas are rightly removed and positions saved. So I am not sure that the Deputy is really standing up by suggesting that those extra resources that we want to put into health and education, which are about nurses and about teachers; I would have thought that the Deputy would be congratulating Ministers for that. De-layering managers, looking right across the organisation in a way which has not happened before; that is why we are talking about working together as departments. It is why we are talking about merging departments so we do not need so many senior high salaried positions. That is going to release money for front line staff and that is what investing in health and that is what investing in education is all about.

**3.9.3 Deputy M.R. Higgins:**

No. I have no problem with more teachers and more nurses which are required. However, the level of cuts that the Chief Minister is talking about to achieve £60 million is going to be on a scale unprecedented in this Island and I do not personally believe they are going to meet that target.

**The Deputy Bailiff:**

Deputy, please ask a question.

**Deputy M.R. Higgins:**

Okay, the question is; will the Chief Minister ... well, I will put it another way. We have got these ambitious targets being set by the Council of Ministers, if they do not achieve those targets will they resign because they have failed us already in terms of they have got us into the deficit that we have due to their policies?

**The Deputy Bailiff:**

So the question is, Chief Minister, if you do not achieve your targets will the Council of Ministers resign?

**Senator I.J. Gorst:**

I think the question was based on a completely false premise. First of all, can I thank the Deputy for agreeing with the Ministers' approach which is to reprioritise current spend so that we can put more into health and education, on to providing **[Approbation]** the services that this Island, we believe, deserves and requires. These numbers are not unprecedented. There have been other savings programmes that some Members in this Assembly have been party to. We are taking a slightly different approach and the £60 million of staff savings is going to be delivered and driven through working in a different way, moving out of our silos, having pay restraint, working together with staff because they are the ones that know where savings can be made, de-layering the management and the overarching structure to make those savings. We are trying to invest into the future. If we do nothing, which seems to be the other argument the Deputy is making, then this income shortfall is not a problem. I do not believe he believes we need to do nothing. As he said, we should be investing in health; we should be investing in education. Let us be judged on our achievement.

**3.9.4 Deputy M. Tadier:**

First of all, can I congratulate the Council of Ministers on keeping this all secret until after the election; stroke of genius, which saw them all get back into office. Can I also ask the Chief Minister why T.O.P.S.E. was not used with Visit Jersey?

**Senator P.F.C. Ozouf:**

May I raise a point of order? Deputy Tadier has suggested that the Council of Ministers kept this secret. There were 3 reports issued by the Treasury last July which set out all of the financial challenges which have now been summarised in the documents last week by the Treasury. Surely, it is a point of order to say to Deputy Tadier that he is incorrect to say that it has been hidden.

**The Deputy Bailiff:**

Well, a point of order would require the Chair to make a ruling and there is nothing to make a ruling on that basis. I think we will just proceed with the question but the position is noted.

**Deputy M. Tadier:**

It is called political sparring, Senator.

**The Deputy Bailiff:**

Deputy Tadier, I think your question was lost.

**Senator I.J. Gorst:**

I wonder if the Deputy could re-ask the question when ... rather like the Minister for Treasury and Resources, when he is missing, appears to be confused over the facts I stop listening. Perhaps I need to listen a bit better.

**Deputy M. Tadier:**

I would like to go to a Council of Ministers' meeting because the confusion must be in abundance at those meetings with nobody listening whatsoever. The question was to do with T.O.P.S.E. The Chief Minister was talking about T.O.P.S.E. being respected this morning in negotiations with staff but it was not used with Visit Jersey. Why was T.O.P.S.E. not used with Visit Jersey and their redeployment?

**Senator I.J. Gorst:**

It seems that the premise of the Deputy's question is, just because he has misheard or he has not read a particular document it is secret. As the former Minister for Treasury and Resources just said documents were released, detailed documents, about the challenges that we face, the change in economic assumptions, the effect that that would have on the income tax forecast going forward and the Treasury Department have been working carefully and systematically through that with the support of some of the best economic minds in the world. This morning also the Deputy has asked a question about, are we preparing for a disability discussion? That is in the public domain. It is not secret. We have answered these things many times before.

**Deputy M. Tadier:**

Point of order? The question was ...

**Senator I.J. Gorst:**

With regard to T.O.P.S.E. ...

**The Deputy Bailiff:**

A point of order is asked for, Chief Minister.

**Senator I.J. Gorst:**

With regard to T.O.P.S.E., if I may ... oh, sorry.

**Deputy M. Tadier:**

I have asked a simple question about T.O.P.S.E. Why was T.O.P.S.E. not employed with the Visit Jersey staff when it seems to be the preferred choice for the current negotiations? That is the question.

**Senator I.J. Gorst:**

That was my third example. At the last States sitting I answered numerous questions on this very issue about why we chose a different way.

**Deputy M. Tadier:**

So should we be trusted; that is perhaps the question? Why should we trust T.O.P.S.E. to be implemented now when it was not implemented with Visit Jersey?

**The Deputy Bailiff:**

Deputy, we will allow Deputy Southern a final supplementary. I note that the Minister has questions without notice coming up and clearly if anything arises then the Minister will be able to answer questions at that time. So a final supplementary, Deputy Southern.

**3.9.5 Deputy G.P. Southern:**

It is interesting that we are to talk about something like 1,000 managers now. So it is not just 1,000 posts, 1,000 managers including, or not including, the 260 new posts being created in the health service and in education in order that we can meet the demands that are made on us. So perhaps 1,200 staff going. This is over 17 per cent reduction in staffing. That is a massive cut. The Chief Minister must be responsible. Is he able to deliver the services, the public services, that Islanders have a right to demand or will he fail to deliver the public services that this Island needs?

**Senator I.J. Gorst:**

The Deputy is well aware of the plan the Ministers have got to reprioritise current spending so that we can appropriately invest in our infrastructure into the future so that we can rightly invest in health and education and we can deliver on the priorities that we think are in Jersey's best interests

and that is why we have brought forward the Strategic Plan that we will be debating later today. I would argue, and I think some others would strongly argue, that some parts of the package that we are proposing perhaps should have been brought forward earlier but I believe that that is the right approach. It is a balanced package, £60 million worth of staff savings, another £35 million worth of efficiency savings and looking at recovering some services which are delivered below cost and then £35 million in a health charge so that we can invest into the future.

### **3.10 Deputy M.R. Higgins of the Minister for Treasury and Resources regarding the States of Jersey Development Company's 2014 accounts:**

In light of the forecast deficit, will the Minister, as shareholder representative, advise Members when the States of Jersey Development Company's 2014 accounts and the evidence showing that the International Finance Centre will generate a return of £50 million to the States will be made available to Members?

#### **Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

I start by congratulating the Deputy for rightly linking the projected shortfall in States revenues with the need for the Jersey International Finance Centre to progress and generate profit and opportunity for the Island and its economy. The S.o.J.D.C. (States of Jersey Development Company) accounts for 2014 will be published in the next few weeks. With regard to the projected return, this has been independently verified by BNP Paribas and although this is being supplied to the Corporate Services Scrutiny Panel as part of their current review it will not be made public due to highly sensitive commercial data.

#### **3.10.1 Deputy M.R. Higgins:**

I note the Minister chose to spin it in saying that I support the International Finance Centre; I do not. The reason quite simply is, I do not believe that we can afford it.

#### **The Deputy Bailiff:**

Deputy, could you make it a question please?

#### **Deputy M.R. Higgins:**

Yes. The question is: the Minister has said that some evidence has been provided to the Scrutiny Panel but I believe the King Sturge report said we would not make a £50 million return and in fact the £50 million was originally based on Harcourt Developments' position. Will the Minister make the King Sturge report available to Members as well so we can see the evidence and any other evidence that he may have on it?

#### **Senator A.J.H. Maclean:**

There have been a number of reviews of this development. I think we should go back to, very briefly if I may, the history of this Assembly establishing the States of Jersey Development Company giving it a specific remit, ensuring that it was properly resourced with the right personnel, giving it the governance overview of a professional, highly professional, board of individuals who are property professionals, all of which reviewed a number of pieces of data from a variety of different organisations. Of course there are those critics for different reasons and many have got reasons which are related to profit here within the Island and the potential loss of profit through this competing project. All I can say to the Deputy is, clearly if you are going to be impacted you are going to have a different view on valuation. The input numbers can be changed to a very small amount and as a result the outcome can be very different. I am satisfied with what the board are telling me and the independent reviews that the S.o.J.D.C. board have undertaken that the project is

not only viable but will return a profit for the States and for Islanders. After all this development is owned by the taxpayer of Jersey.

**3.10.2 Deputy A.D. Lewis:**

Would the Minister confirm that BNP Real Estate are not independent as they are the letting agent as well? I do not see that they are independent. Can the Minister also confirm if the J.D.C. (Jersey Development Company) and its team have a track record in the development of such huge projects?

**Senator A.J.H. Maclean**

The first point is correct. The Deputy is correct insofar as BNP Paribas are involved as advisers and letting agents but they are a massive international organisation and it is not unusual, therefore, that their U.K. (United Kingdom) London part of the organisation has carried out a completely independent review and valuation of the site. The board of directors of S.o.J.D.C. are perfectly satisfied with that and therefore I see no reason to question it. The second point the Deputy raised was about the expertise, I think, of the board in particular. I can tell Members this has been in the public domain before but they are a highly skilled group of individuals. We have a member of the property investment board of the City of London. One of the board members is a senior executive at Barclay Group. Members may be aware the Barclay Group are the U.K.'s leading urban developer and indeed he is a specialist in waterfront developments. We also have on the board a chief executive of one of the U.K.'s largest housing associations, building thousands of properties. There is, as well, a local developer. Somebody locally, one of the few who have been involved in the development of one of the largest Grade A office developments in Jersey. That is a balanced mix of experts. S.o.J.D.C. is an independent company, set up and owned wholly by the States of Jersey and by Islanders that is a professional developer. This is not government doing a development thinking it is a good idea. This is a professional development company that this Assembly decided to set up through a democratic process and give a clear remit to.

[10:45]

They are now carrying out that remit and I believe they are doing a good job.

**Deputy A.D. Lewis:**

Point of order. Can the Minister confirm that the J.D.C. has developed a similar size project ever?

**The Deputy Bailiff:**

That is not a point of order, Deputy. It is a question.

**Deputy A.D. Lewis:**

Well, he is suggesting that they have but they have not because this is the biggest scheme they have ever produced.

**Senator A.J.H. Maclean:**

The company, S.o.J.D.C., as I have said, was set up by this Assembly in 2010. The point I was making in answer to the Deputy's question is that the board of directors have extensive experience in significant developments in the United Kingdom and on that basis I believe we can have a great deal of confidence in what they are doing and the tasks they are undertaking in developing commercial property here in Jersey.

**3.10.3 Deputy M. Tadier:**

I would like to invite the Senator to our Parish where we have got a very successful park. In the middle of the park is a pachyderm with pink skin but I suspect that we might find one being built in St. Helier which has white skin. It is the Elephant Park; as it is called colloquially. Will the



Minister give us an update on how long Liquid Nightclub has been standing there vacant which is also part of the States of Jersey Development Company estate? That is the first question.

**Senator A.J.H. Maclean:**

That is one of the very good reasons why we changed to the S.o.J.D.C. There were, though I should say, some issues, as I understand it, from a legal perspective with that particular property and that particular company that was operating in there. That is a much more complex issue. I am very happy to give Members an update on that particular issue in due course if that would be of interest.

**3.10.4 Deputy M. Tadier:**

It would be of interest. It is still vacant. I was there this morning and the reason I ask the question is presumably the £50 million return to the States is only a return if it is a successful project. It is not a return if it is an unsuccessful project and we get derelict buildings there, vacant buildings such as Liquid Nightclub on prime real estate in Jersey's centre which are not filled. Does the Minister accept that there is a risk in these economically uncertain times; that we do not know the future, the Minister had been saying that on the radio himself, and that there is a downside rather than just an optimistic upside when it comes to this risk?

**Senator A.J.H. Maclean:**

Of course there is risk and that is what this Assembly was perfectly aware of when they set up S.o.J.D.C. That is why various mitigating factors were put in place in terms of getting pre-lets in place before development started. We have handcuffed, effectively, this development company that we set up in order to extract value from our assets for the benefit of Islanders. That is why we did it. That was why the decision was taken in the first place, to get better value from the assets that this Island owns. It was made clear at the time that S.o.J.D.C. was set up that there was risk but we sought to try and mitigate those risks in the way that I have described. What I would like to also focus on with the Deputy; he talks about one particular building. Now property development is a long-term activity. Talk to any property development company. It is not something that happens, first of all, overnight. I would point out that there are many successes that the States of Jersey Development Company already is beginning to preside over. College Gardens, which had waited for a long time. They have managed to get that approved for 187 apartments, that is including ... and it is a point that the ...

**The Deputy Bailiff:**

Succinct answer please, Minister.

**Senator A.J.H. Maclean:**

Yes, of course. I thought it was quite succinct but I get carried away because there is a lot in the question unfortunately. Yes, College Gardens, 187 apartments; 80 of those are for affordable housing. That is benefitting the local community. S.o.J.D.C. are delivering a lot of benefit.

**3.10.5 Deputy M.R. Higgins:**

The Minister is not going to convince doubters, such as myself, on the viability of the scheme without providing the evidence. His assurances are not good enough. Will he publish the King Sturge report and other evidence to show that this scheme is going to be as successful as he states because we all know the Council of Ministers' forecasts and their record on the economy have been dismal in the past?

**Senator A.J.H. Maclean:**

With regard to that report I am not sure I am in a position to give an undertaking to publish that or not. I would need to check whether indeed it is feasibly possible to publish that based on commercial data that may or may not be contained within it or any other undertakings at the time that it was commissioned. I was not involved in the commissioning of the report but I am happy to get back to the Deputy and give him an update on what I am able to undertake to do. What I would say is that, as the Deputy will know, the Corporate Services Scrutiny Panel are yet again reviewing this particular development so the Deputy and Members should have some reassurance that that panel, I am sure, will be able to look at confidential data that cannot be published for the reasons that I have already stated of a confidential nature.

**The Deputy Bailiff:**

No, that was the final supplementary. **[Interruption]** Please.

**3.11 Deputy A.D. Lewis of the Minister for Treasury and Resources regarding proposals to reduce the overall area of States offices:**

Given that appendix 5 of the Medium-Term Financial Plan 2013-2015 set an “overriding objective” of reducing and consolidating the States’ office portfolio to achieve 4 specified benefits, and identified scope to reduce the overall area of States offices by “up to 220,000 square feet”, would the Minister quantify the square footage reduction achieved to date and advise on progress made towards achieving the specified benefits

**Senator A.J.H. Maclean:**

I would like to ask my Assistant Minister, Deputy Noel, who looks after property matters, to answer this question.

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

The M.T.F.P. set out a 3-phase approach to office rationalisation and I am pleased to report that progress is being made on all 3 areas. The first phase involved the relocation of the States of Jersey Police. This project is currently on-site and when completed will release a site area of circa 50,000 square feet on the Summerland site for affordable housing along with additional opportunities on the Rouge Bouillon site. Phase 2 includes some short-term projects, most notably the modern office pilot at Maritime House. This pilot was completed in October 2013 and enabled both Jersey Property Holdings and Customs and Immigration to significantly reduce the overall area and resulted in the release of Piquet House. The total area released was some 10,000 square feet. The M.T.F.P. recognised that the development of a broader office modernisation strategy would be crucial in delivering key benefits of improved ways of working, reduce utilisation of space and the subsequent release of assets. Work has been undertaken to identify departmental requirements, review the portfolio and identifying new space standards and develop options to deliver an improved office estate. In light of the current financial situation that work is now being adapted to consider the implications of the proposed restructure of the State Services and to identify how the capital cost of the proposals can be funded.

**3.11.1 Deputy A.D. Lewis:**

Given that the Treasury has known since at least 2009 about the status and cost of the estate and given that the C. and A.G.’s (Comptroller and Auditor General) report of financial management says about the proposed financial incentives that may be slowing offers of rationalisation. Given that his predecessor told the States back in April 2013 that the rationalisation strategy would help deliver government reform; will the Minister now seek the agreement of the Council of Ministers to accelerate the pace of office rationalisation as it does appear to be a little slow?

**Deputy E.J. Noel:**

Indeed, I would agree with Deputy Lewis of St. Helier that progress has not been as swift as personally I would have liked but there is a major barrier to progress and that barrier is cash. In times of difficulty, finding capital in the short term for long-term benefit is always a problem but officers within Treasury and Property Holdings are working together to find a solution that we can implement within the next M.T.F.P. to - for want of a well-used term - put the office modernisation on to rocket boosters and steroids to move this forward.

**3.11.2 Deputy J.A. Martin:**

There has been much talk about consolidation and rationalisation. Can the Minister though absolutely confirm - and this goes back to the last question as well - that the States of Jersey are not in negotiation with the S.o.J.D.C. to purchase one of their buildings, as they have all got planning permission, to give the S.o.J.D.C. the blue chip tenant that they need and is it not very convenient? Can the Minister confirm this is absolutely not happening?

**Deputy E.J. Noel:**

I am happy to confirm that but again, personally, I would not rule it out in the future. We have not boiled-down the numerous potential sites available so no; no negotiations have taken place. No, it is not currently on the agenda but I would not rule it out in the future either.

**3.11.3 Deputy J.A. Martin:**

Yes, a supplementary. The Minister, in the answer to Deputy Lewis, said that they had looked at the whole portfolio of the States and now he is saying there has been no negotiation; not even consideration of one of the buildings on the Waterfront. Which am I to believe? We are on top of it or we are not on top of it, or are they just denying the fact that we cannot be seen to be in bed with the States of Jersey Development Company and maybe it might be the right way forward but it is going to be denied until we say, yes, we are going to take one of those buildings. I think there is a question there somewhere. **[Laughter]**

**Deputy E.J. Noel:**

I was going to ask, was there a question there? I am not sure if there was. It was a very good speech. I can reaffirm we have not had any negotiations with the S.o.J.D.C. about the States relocating its office requirements to the Esplanade Quarter. Personally, I would not necessarily rule that out for something that we may do in the future.

**3.11.4 Deputy A.D. Lewis:**

Could I just urge Members to read appendix 5 of the M.T.F.P. because that outlines a lot of what the Minister has said and ask further questions about it. Also the Financial Management Report by the C. and A.G. makes an interesting read as well. As a final supplementary, on 9th September 2014 the Chief Minister told the States he was concerned about the office strategy: "It seemed to be a piece of work which was continually in progress and never coming to fruition." I really would like to know what the Minister has done since taking office to address the Chief Minister's concern. He cited 2 or 3 examples of change which were in progress before he took office but what has he really done to make sure this really happens? I know he believes and wants this to happen but I do not believe enough is happening and I am sure the Minister is quite frustrated by this too. What can he really do to move this forward quicker?

**Deputy E.J. Noel:**

I, only on Friday last week, had a meeting at short notice with the Minister for Planning and Environment and officers to progress this matter. We need to find a suitable site that works and

that is affordable and we need to find a funding stream for it. I believe that we need to rearrange our balance sheet to provide that funding stream.

#### **4. Questions to Ministers without notice - The Minister for Health and Social Services**

##### **The Deputy Bailiff:**

That ends the questions with notice and we now come on to the first question period with questions without notice and the first period is for the Minister for Health and Social Services.

##### **Senator A.J.H. Maclean:**

Just before questions I wonder if I may just clarify a point in relation to Deputy Higgins? He did ask me earlier about the S.o.J.D.C. accounts. I said to him, on the basis I always like to under promise and over deliver, that they would be presented within the next few weeks to Members. In fact due to the incredible efficiency of the Greffe I understand they are going to be with Members today.

##### **The Deputy Bailiff:**

Right. Then the first question period, as I say, is for the Minister for Health and Social Services and I see Deputy Southern.

##### **4.1 Deputy G.P. Southern:**

The Minister for Health is committed to taking on 185 additional posts, full-time equivalent, by 2019. Has he identified 185 posts elsewhere within his service, non-patient-facing, that he can remove and thereby get back to square one before he contributes his little bit to the 1,000 people that are about to go from the public service?

##### **Senator A.K.F. Green (The Minister for Health and Social Services):**

The Deputy very well knows the answer to that because he asked me at Scrutiny on Friday, I think it was, that very question: 180 posts are to be created as part of our ongoing development of the service. This ongoing development is about what I call a virtual hospital, about supporting people in the community and therefore the requirement for patient-facing staff and in particular nurses. There is also a need to increase the number of consultants and that is primarily due to the fact that we have a number of generalist consultants who are very good and who will be retiring and unfortunately these days you have to employ specialists in 2 or 3 different areas when some of these consultants retire. So that is what is going to happen with the 180 there. They are not admin posts. They are patient-facing nurses, N.A.s (nurse assistants) and consultants. The Deputy asked me if I was going to make compensating savings of 180 elsewhere. If I were able to do that we would not need to invest nearly £50 million in the ongoing development of the health service. That said, I think I have an obligation as Minister for Health and Social Services to make savings where I can, to reduce duplication, to cut out administration, to reduce waste and that is what we will be doing as part of our 2 per cent saving.

##### **4.1.1 Deputy G.P. Southern:**

Has the Minister examined, or will he examine, the possibility of outsourcing his cleaning service, which happens elsewhere, to the detriment of the Health Service?

##### **Senator A.K.F. Green:**

I am glad I paid attention when I was in Scrutiny on Friday because I was asked that question as well by the Deputy and my answer to him then was, no, we were not considering that.

[11:00]

Before he comes back with his supplementary and says: “Well, will you tell me that you will not do it?” No, I will not do that. Nothing is disbarred but I have no plan at the moment to outsource at the present time.

#### **4.2 Deputy S.Y. Mézec:**

We have heard talk recently of a health charge which may be on its way. Can I ask the Minister in what form does he see this health charge being taken and at what point does he see it being paid? Will it be at the point of delivery?

#### **Senator A.K.F. Green:**

At the moment this is under discussion. There is nothing set in stone. We are exploring the different options that we may use in order to help fund the £50 million ongoing investment into health. So there is nothing set in concrete at the moment and I am not able to make any statement on charges at the present time.

#### **4.2.1 Deputy S.Y. Mézec:**

When the Council of Ministers are asked about what we were told in the Resources Statement it seems that no Minister can put any substance behind anything. So can I ask: is there any substance at all behind what we are meant to be committed to going forward?

#### **Senator A.K.F. Green:**

We have a plan and we are working on it at the moment and once we are clear about that then we will release it. I am not going to worry members of the public with what that might be. What I want to do is to release what will be when I am in a position to do that.

#### **4.3 Deputy M.R. Higgins:**

I am going to draw the Minister’s attention to his written question number one but before I do it I would ask him ... I think he has inadvertently misled the States in his answer to part B. He says: “In the last 5 years 6 locums have been employed in this area. In every case their performance has been satisfactory to the department.” I am aware that one had numerous complaints against him and they lasted less than 6 months. Will the Minister please look into that and give a supplementary answer to the States in the future? My question is ...

#### **The Deputy Bailiff:**

Well, no; that was your question.

#### **Deputy M.R. Higgins:**

No, it was not. It is ...

#### **The Deputy Bailiff:**

Yes, I am afraid it was, Deputy.

#### **Deputy M.R. Higgins:**

I was pointing out that the Minister has inadvertently misled the House with his answer and I just asked for clarification.

#### **The Deputy Bailiff:**

Well, Deputy, this is question time for the Minister. You asked the Minister a question. You will have a chance to come back but the Minister ...

#### **Deputy M. Tadier:**

Is there not a point of order if the Deputy is alleging that a Minister has inadvertently misled the House? That should be ...

**The Deputy Bailiff:**

The Deputy was not raising a point of order, Deputy. It is a question for the Minister.

**Senator A.K.F. Green:**

Obviously I based my answer on the best information I had available and if the Deputy thinks there is something inaccurate there then I will check it. The answer to his question is, yes.

**Deputy M.R. Higgins:**

I am just saying, it was not a criticism of the Minister. I am just pointing out to him that he may have been given misleading information.

**The Deputy Bailiff:**

I am offering you the opportunity for a supplementary question.

**4.3.1 Deputy M.R. Higgins:**

Thank you. My actual question was going to be; in his answer he mentions that in this particular area, which is to do with children and adult mental health service; that over the last year there have been 10 new starters and 10 new leavers. Will the Minister clarify whether many of the people who have left were in senior or mid-management levels?

**Senator A.K.F. Green:**

Without going into too much detail, there has been a mixture of people that have left but some of them were in senior posts, yes.

**4.4 Deputy J.A. Martin:**

Yes, it gets quite worrying when we do not know what we do not know and what the Minister will not rule out. In the ceasing - and it is ceasing - employment or reducing or privatisation; can the Minister please reassure this Assembly, if not in his department but it is across all departments, that there is somebody absolutely doing a cost benefit analysis as to who you are getting rid of? What cost it will be to them personally, what cost it will be to Social Security, what cost it will be everybody else in society? I want assurances this is done.

**Senator A.K.F. Green:**

I do not use the term "getting rid of". What we are doing as a Council of Ministers is working across the different Ministries and doing what all good managers do. We are not managers, we are setting the strategy, but it is what we expect our senior managers to do. What all good managers do when a vacancy occurs, when someone resigns... and we have already heard from the Chief Minister that that turnover is in the region of 500 jobs a year across the States. When someone leaves a good manager says: "Do I need to replace that person? Does this job still need to be done?" If the answer to that is yes: "Can it be done in a different way? Can it be done by somebody else?" So it could be that we may have a vacancy occur that is not replaced in one Ministerial department which is then transferred as part of my 180 posts that I need to grow. So we are not "getting rid of people". We are going to ensure that the 500 people that leave are replaced appropriately and then, and only then, will we look at other methods.

**4.4.1 Deputy J.A. Martin:**

Supplementary? The Minister did not answer the main part of the question. I am sorry if I used the words "get rid of". It says "cease" in your own document or the Council's document. Cease

employment, to me and to everyone out there: “I have lost my job. Someone has got rid of me.” Sorry. But the question is: who across the board is doing the cost benefit analysis to the whole of society? Is it the man with the 3 children with the mortgage who will need to go down to social, will lose his home? Who is doing that piece of work across the board?

**Senator A.K.F. Green:**

We know it is difficult when people do ... those that chose to leave, that is fine. Maybe their job does not exist anymore, do need to either voluntarily be made redundant or otherwise. We know that is always difficult but our job is to ensure that we have a public sector that is fit for purpose; that is sustainable, that is affordable and we must do that. Are we doing a cost benefit analysis against people leaving and the cost to society? One could argue that there could be increased costs at Social Security if someone were to leave their post but if you are going to make fundamental change in the way that we structure our public service, now is the time to do it. We did not do it before. Okay, some of this information was not available but I would suggest to you that the best time to make changes in the number of staff that you employ in the public sector is when the economy is on the up and we are beginning to see the economy pick up. The worst time to do it was when the economy was on the down, when we were in recession and that was a time for the States to keep people in work, to provide job creation schemes, to invest in infrastructure. That is what we did and now we are going to get the workforce in the fit state that it needs to be to be efficient, affordable and sustainable.

**Deputy J.A. Martin:**

It is probably a shame the Minister for Health and Social Services sits in front of the Chief Minister because the Chief Minister was nodding profusely in agreement with me.

**4.5 Deputy M. Tadier:**

To follow up on that. The Minister for Health and Social Services seems to be saying that they are doing this out of choice not because they have got a gun to their head and they are facing £130 million deficit per year right up until 2019, which is showing that we have got a structural deficit; not simply any other kind of deficit. Will the Minister for Health and Social Services say categorically that rather than just looking at what cuts we can be imposing to the most vulnerable in our society in his Health Department that perhaps we should look at what kind of services we want and how we fund them and how we can bring in extra revenue from a fair point of view rather than talking about charges, redundancies; voluntary, compulsory, *et cetera*, and this euphemistic restructuring and pay restraint that is being used?

**Senator A.K.F. Green:**

There is a whole host of questions there which I can keep the Assembly listening for about an hour on but I will not. The fact is ... sorry, could you repeat the question?

**The Deputy Bailiff:**

Well, perhaps just one question.

**Deputy M. Tadier:**

Essentially the question is, rather than talking about these cuts going along with the Ministerial group think that we must cut because we have got this looming deficit, why not look at fair changes to our tax system so that those who are able to pay more can do to keep the levels of service at what they should be or enhancing them?

**Senator A.K.F. Green:**

Two points I would like to pick up there. It is very simple for me. We are in a very good position financially, despite what people say, because our income is still growing but it is not growing at the level we would have liked it to grow. It is quite simple that if you run a household and the income does not come to the level that you would have liked it to have come then you have got 2 choices; you go into debt or you cut the cloth to fit and that is what we are doing. We are cutting the cloth. We are very lucky; we have got a choice because this money has not been spent. Now, you put that alongside the fact that for the Health Service; doing nothing is not an option. We have to reform the Health Service. We have to develop a different service. We have to develop a service somewhat similar to that that we read about in New Zealand, a virtual hospital with our ageing society. We have to deliver it differently. If it were not that we need to invest the £50 million or so in health and further sums in education we could carry on in the same merry way. I would not suggest that that is the right way to do it but the budgets would almost balance out. That is not the right way to do it. This is the time to look at the way we are going to deliver health services into the future. To have a Health Service that legitimately fits the expectations of the public and that is affordable and sustainable and above all, safe.

#### **4.6 Deputy R.J. Renouf of St. Ouen:**

My question is about the Patient Travel Policy. Given that the eligibility criteria for assistance towards off-Island costs has not increased for several years and given that the Governments of Guernsey and the Isle of Man choose to give far greater assistance in this area to their residents, will the Minister commit to an early review of the benefits provided under this policy?

#### **Senator A.K.F. Green:**

No, I am not going to commit to any further review on this. We are looking at apples and pears when you compare us to Guernsey on this one. Guernsey do have a lot more support but they provide a lot less on-Island and therefore have to send many more Islanders off for treatment in the U.K. I think what we have got is fair. It is appropriate and I do not intend to look at it again at the present time.

#### **4.7 Senator Z.A. Cameron:**

Can the Minister for Health explain why Health and Social Services employ no psychiatrists who are fully qualified members of the Royal College of Psychiatrists in their employment and reflect on whether this is wise considering the level and severity of mental illness that exists on the Island?

#### **Senator A.K.F. Green:**

I was not aware that any of ours were not members of that learned society but our psychiatrists are qualified and, as the Senator knows, we are in the very late stages of developing a mental health strategy of which she has been part of that and it is the first time I have heard this raised.

#### **4.8 Deputy A.D. Lewis:**

My question refers to public sector reform which has been a bit of a topic here. There was £626,000 allocated for a reform of the Workforce Reward Scheme within the Healthcare Department. I just wondered if the Minister was able to report back on that as to how that money has been spent and what benefit the department has already reaped from it.

#### **Senator A.K.F. Green:**

I have to say that the Deputy asked a question that I do not have the information to hand but I will get it and forward it to Members.

#### **The Deputy Bailiff:**

That brings the ...



**Deputy D. Johnson of St. Mary:**

I did have a question. Sorry, I did indicate that I wanted to ask a question.

**The Deputy Bailiff:**

Yes, and I did in fact see your light, Deputy, but I am afraid we have just run out of time allocated. I have called Members in the strict order that their light has shown. That brings us on to the next question period of 15 minutes which is for the Chief Minister.

**5. Questions to Ministers without notice - The Chief Minister**

**5.1 Deputy J.A. Martin:**

I think the Chief Minister can work out where I am going to ask this question because he seemed to be agreeing with me. Please, will the Chief Minister confirm there is somebody across all departments doing an in-depth cost benefit analysis of the people or the jobs you are ceasing to do and the ones you are outsourcing to do?

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

Of course there will be that work undertaken with regard to ... there is no point in a post being put up as a saving if it is being pushed to another department or if it is going to be asked for the private sector to provide the service at more expense. There has to be savings delivered for the changes and the efficiencies that we are delivering. Of course, in some cases we are going to work with staff, with the Back to Work team, to help get them into jobs but it is a package. We are not just picking numbers. We are working through a process and that is why I sense that some Members are a little bit frustrated about not having every minute detail this morning. It is a process. We believe that it is the right package and we are putting in place a process that is going to deliver that package, understanding also the human element which we do not underestimate.

**5.1.1 Deputy J.A. Martin:**

Could the Chief Minister confirm who or which department or who is leading this? Is it across departments or is there one ... I do not need the name of the person or if there is a consultancy firm coming in but I just need to know that it is central and it is being addressed across all departments the same. I need to know who is responsible.

**Senator I.J. Gorst:**

There is a programme board which will sit in my office and will be led politically by myself and the Minister for Treasury and Resources and I think the areas of work that the Deputy is concerned about, which is the human aspect, about getting people who may not have a job with us in the future, how they are going to find work and how they are going to be supported. That is going to be undertaken by Social Security and we have already started that conversation and that work to see how that is going to operate and work across the departments arising out of the central unit.

[11:15]

**5.2 Deputy G.P. Southern:**

Does the Chief Minister not accept that the removal of £60 million from public sector pay packets and wages will have a serious impact upon the economy itself and will he, as a matter of course, assure Members that he will use T.O.P.S.E. arrangements if he is going to resort to outsourcing privatisation or incorporation of any particular services?

**Senator I.J. Gorst:**

I have answered the question about T.O.P.S.E. and it is only right that they are taken as individual cases. Perhaps I can give some comfort to the Deputy, however, and if he looks to see what we have done with housing and what we did with Ports incorporation, where there is an incorporation it seems reasonable that T.O.P.S.E. will be used because it gives all sorts of protection and transfers benefits across. Where it is a much smaller area, where the work is not continuing in the same way, which was the case with Visit Jersey, then we have to use a different methodology. The Deputy keeps saying we are going to be taking money out of the economy. We are going to be cutting £60 million over this period of time. The reason we are using the word “reprioritise” is that we do not want people to become confused about what is happening. Our income is going to grow – it is projected - we have got the independent economists who have helped us think about that. It is going to grow over this period of time to 2019 and our expenditure is going to grow in line with that income. What we are trying to do is make sure that it does not grow above it. So it is about controlling current expenditure and expenditure into the future, and it is about reprioritising our current spending in order to deliver on our priority.

### **5.3 Deputy S.Y. Mézec:**

A simple yes or no question here. Just for the record, can the Chief Minister give a cast iron guarantee that he will not raise G.S.T. in this term of office?

### **Senator I.J. Gorst:**

I have no plans to raise G.S.T.

### **5.4 Deputy A.D. Lewis:**

I think we can say that the States of Jersey is a good employer however there exists a great deal of concern among workers about the prospects of change albeit I think it is accepted that change is inevitable, but when they hear T.O.P.S.E. not being observed in certain transactions in the States they get concerned. Can the Minister give some reassurance that in the absence of T.U.P.E. (Transfer of Undertakings (Protection of Employment)) that T.O.P.S.E. which is a well-established programme of change within the States of Jersey, is observed whenever possible because I heard his answer from Visit Jersey last time and it was not exactly what I was looking for, neither was it for the people that were affected. So can he give real assurance that T.O.P.S.E. and a T.U.P.E.-type transfer will be undertaken whenever possible?

### **Senator I.J. Gorst:**

I stand by the answer that I gave. I think that it is absolutely appropriate and I do not see that we would deviate from it when we are talking about incorporations and things of that nature because we set the case in motion with Housing, and we are proposing to do exactly the same with Ports. But I cannot give him the cast iron guarantee that he wishes because there might be small areas across the organisation where it would not be appropriate. But what I can do is say that the States Employment Board, and staff and unions have worked long and hard on trying to develop T.O.P.S.E., which we believe generally is an appropriate tool to use.

### **5.5 Deputy G.P. Southern:**

Can the Minister assure Members that come the end of 2016 or 2017 we will not see the onset of compulsory redundancies for staff in the public sector?

### **Senator I.J. Gorst:**

During the last pay round the States Employment Board gave an undertaking that there would be no compulsory redundancy. That undertaking ended at the end of 2014 and I am not in a position today to reissue it.

### **5.5.1 Deputy G.P. Southern:**

Is it the policy then of the States Employment Board to use compulsory redundancy where it is deemed unnecessary?

#### **Senator I.J. Gorst:**

We are going through a process and that is important, and part of that process, as I stand here today - I am trying to be open with Members - part of that process might indeed, in due course, be compulsory redundancy.

#### **The Deputy Bailiff:**

I will take a final question from you, Deputy Southern, since nobody else is asking.

### **5.6 Deputy G.P. Southern:**

If nobody is asking I will go on as long as it takes. If I can just remember where I put my next question. The Chief Minister just talked about how open he was being. Will he be equally open in the coming weeks, and I do not mean months, that before we see the M.T.F.P. thrashed out, will he be equally open in giving some substance, any substance, to the thoughts of his Minister for Health and Social Services or his Minister for Social Security, or any of his Ministers, when it comes to what do these words in this plan mean?

#### **Senator I.J. Gorst:**

I think both of those Ministers - Social Security and Health and Social Services - have given good answers and given the detail that they are in a position to do so today. If I particularly point to the words of the Minister for Social Security where she confirmed that there will be detailed proposals for 2016 - I have just to recall the year - in the M.T.F.P. and then there will just be high level numbers for the following year, so there will be more details being provided when the M.T.F.P. is lodged.

### **5.7 The Deputy of Grouville:**

Could the Chief Minister set out please what progress has been made with our sister Island, Guernsey, and our working relationship?

#### **Senator I.J. Gorst:**

The progress has been, I think, largely, as was the case over the last 3 years, there were a number of one-off initiatives, but it has largely been about representation of ourselves in the international community. It is no secret of course that there are some areas as well where we have not necessarily seen eye to eye and we continue to have forthright conversations, and I am thinking particularly in regard of fishing.

#### **5.7.1 The Deputy of Grouville:**

What does he and the Minister for External Relations propose to do about this and move it forward?

#### **Senator I.J. Gorst:**

I wonder which element of my answer the Deputy is referring to.

#### **The Deputy of Grouville:**

Both elements: both our general working relationship and in particular in regard to fishing.

#### **Senator I.J. Gorst:**

I think that the Minister for External Relations and myself enjoy extremely positive productive working relationships with our opposite numbers, as do the Minister for Treasury and Resources, in

Guernsey. But it is too early to say exactly how we might strengthen those into the future. We have been giving some initial thought certainly on this side of the water trying to reach some sort of agreement which would detail the areas that we were going to work together on. But that will take some time for us to arrive at that point.

**5.8 Deputy J.A. Martin:**

Was the Chief Minister surprised to hear from the Minister in charge of Property Holdings that with an identified scope to reduce States office space by 220,000 square feet, that there are no negotiations with the States of Jersey Development Company who have 5 potential, fantastic buildings on the Waterfront that we could be renting or purchasing?

**Senator I.J. Gorst:**

I was not surprised at all, nor was I surprised that the Minister did not concede the point because there have been no negotiations and I think that is right, because Ministers are supporting the development of the International Finance Centre in a way that has been approved by this Assembly. The Minister gave his personal opinion but that is purely his personal opinion. It is not government policy.

**5.8.1 Deputy J.A. Martin:**

Would the Chief Minister not concede that the buildings on the Waterfront, the office space, is much needed according to the Council of Ministers because we are short of office space? Where does the Chief Minister think he is going to magic-up extra office space for the States of Jersey to consolidate all their staff if it is not even negotiating with the States of Jersey Development Company?

**Senator I.J. Gorst:**

There are a number of options, as I understand it, that I would not wish to talk about publicly at this time. The States owns many sites which could be developed to deliver such necessary accommodation.

**5.9 Deputy A.D. Lewis:**

The Chief Minister will know that in a C. and A.G. report recently published there were 36 recommendations about financial management. Is the Chief Minister confident that the objectives that are contained in any M.T.F.P. can be achieved with the clear failings within the financial management system well reported on in the C. and A.G.'s report; 36 recommendations. Is he confident that we are in a position to deliver the objectives of the M.T.F.P. with the failings that we clearly have within our management system?

**Senator I.J. Gorst:**

Whenever there is a review, and I hope this is the case with the Comptroller and Auditor General, that was a good report that looked at areas where we can improve and make sure that there are not particular issues which might arise. The Treasury Department, as I recall, have largely accepted those recommendations albeit some of them come with a cost. So we will have to consider the cost-benefit analysis of those changes in due course. But I am convinced that if we are able to deliver a more flexible M.T.F.P. then we will be able to deliver the proposals contained therein.

**5.9.1 Deputy A.D. Lewis:**

Was the Chief Minister surprised that there were so many recommendations and did it give him great concern?

**Senator I.J. Gorst:**

It may come as a shock to the Deputy, but I am afraid that in my job very little comes as a surprise these days.

**5.10 Deputy M.R. Higgins:**

The Chief Minister knows from my earlier questions about Zero/Ten that I believe that it is the root cause of our deficit. Will the Chief Minister advise Members what discussions he has had with Guernsey, who are also suffering from that policy, and the Isle of Man, and about the possibility of an agreement with the other centres about raising the financial corporation tax back to the 20 per cent which the banks and other financial firms were prepared to pay? Would he advise Members what discussions he has been having with the other 2 offshore centres please?

**Senator I.J. Gorst:**

The Deputy and I will disagree on this issue. I do not think the Deputy has been in favour of Zero/Ten since it was implemented and I do not think he is in favour of either the Ten or the Zero. I am not sure why he thinks I accept his premise. Taxation is part of a country's and a jurisdiction's competitive advantage and he mentions that 2 small islands, which are not necessarily islands that we should consider as our competitors. We should consider them as our partners. It is other larger countries around the globe that currently have more competitive corporate tax regimes than we do and therefore we change that rate at our peril.

**Deputy M.R. Higgins:**

The Minister did not answer the question. I asked him what discussions were going on with the other islands.

**PUBLIC BUSINESS**

**6. Draft Strategic Plan 2015 – 2018 (P.27/2015)**

**The Deputy Bailiff:**

Deputy, it brought question time concerning the Chief Minister to an end. We have run out of time I am afraid. There is nothing under J or K and that brings us on to Public Business. The first item is the Draft Strategic Plan 2015-2018, lodged by the Council of Ministers, and I ask the Greffier to read the proposition.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion - in accordance with Article 18(2)(e) of the States of Jersey Law 2005, to approve the statement of the common strategic policy of the Council of Ministers as set out in the attached Appendix.

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

Jersey's future depends on a government that prioritises and delivers effectively and efficiently. The Draft Strategic Plan prioritises the key issues that will deliver a better future for all of us: Health, Education, Economic Growth and St. Helier. In Health of course we are continuing the transformation of health and social services so all Islanders can be cared for throughout their lives. In Education we are raising standards across all schools.

[11:30]

We are boosting economic growth to create new jobs and businesses. That is how we can ...

**The Deputy Bailiff:**

Chief Minister, I am afraid I must interrupt you. We appear to be inquorate. If I could ask the Usher to call Members back in from the ... I think we are now quorate again. If I may make the observation that this is an extremely important debate. **[Approbation]** It is the single policy debate of this Council of Ministers and it is really incumbent upon Members before they leave the Chamber to ensure that they do not render it inquorate. Chief Minister, if you would like to start again.

**Senator I.J. Gorst:**

Can I just thank you for your comments? This Strategic Plan will be the overarching document that directs us in all our actions throughout the course of the next 4 years. Many Members have stood up and criticised - in my view of course, unfairly, but in their view fairly - the resource implications attached to this plan, and I am going to go on and say why I think it is so important. Of course some Members still listen even though they may be in the coffee room. We are, as I said, boosting economic growth to create new jobs and businesses and we believe that is how we can increase States income to pay for services. In St. Helier, we are finding ways to make our town a place that Islanders aspire to live in, enjoy working in, and are keen to visit, as many already do. We will make sure we achieve this while maintaining low taxes and balanced budgets. Our population is ageing, which rather than being a negative I think is a great achievement. We all want to live long, happy, healthy lives and continue contributing to our society and to our community for as long as we are able. But longer lives and, unfortunately for some others, unhealthy lifestyles bring chronic complex health conditions which in themselves bring increased costs. As medical science enables us to treat more illnesses health care becomes more specialised and more expensive. So we are changing the way we provide health services. We know people want to be treated in their own homes and that is what we are working to provide. We have an agreed restructuring plan, a plan that was almost universally approved by the States in 2012. By prioritising Health we are simply recognising the importance of staying on course and sticking to the next phases of the delivery programme. We will provide robust oversight of the extra spending we are sanctioning or will sanction on health and social services. We are identifying savings in the public sector to help safeguard that investment in health. The Minister for Health and Social Services of course is continuing to review the options for a new hospital and Senator Green is looking for the best compromise between providing a future-proof solution and being economical with taxpayers' money. In education I want to ensure that all our young people have the best start in life and are given the opportunities to create a bright future for themselves and for their Island. We rely on the skills and abilities of Islanders to be globally competitive. We will maximise the potential of our young people by supporting families so every child can get the most from their education. Our young people should be equipped to compete with the best when they enter the world of work. A successful community needs people with the right skills to sustain it so schools need to provide a great education that prepares young people for the jobs that a modern Island economy can and will deliver. We will come to some of the proposed amendments later in our debate but let me take this opportunity to clarify some of the concerns which have been raised. Education is about producing rounded individuals, capable of contributing to our society not only economically but socially and culturally. Of course, the reality is education is not just something that is undertaken by our Education Department, that we all have a part to play. That is why this plan also commits to invest in early years supporting vulnerable families. We want all our young people to have the opportunity to fulfil their potential whatever that might be. At the same time it is right to challenge whether all aspects of the curriculum meet the needs of our children. There are opportunities to better align our school curriculum with the job markets our children will enter. We can raise standards in schools. We are accepting because of that a number of amendments today on this Education priority and, I hope, in recognition of the importance that we give it. I am pleased that the Minister for Education, Sport and Culture is feeling better - well at least I hope he is - and is

now with us because he has already made an excellent start on focusing on standards and skills. He is establishing stronger links between skills and businesses and he is giving head teachers more autonomy to lead creatively and to inspire their students. We want young people to leave school with an understanding of the world of employment, a good grasp of technology and a ready-for-work approach. One of the ways that we can meet the rising cost of health care is through economic growth. It is our strong economy that enables us to fund health and education and all other services. In this particular priority Senator Farnham and Senator Ozouf are working hard to create the right conditions to foster economic growth, to support increased productivity in all parts of the economy, and to encourage new business start-ups across different sectors. It is about people working smarter, not necessarily working longer. Finding new and innovative ways to do things better by embracing technology. Diversifying the local economy and creating rewarding job opportunities that build a good standard of living for all Islanders. We are putting of course a greater emphasis on innovation and technology. FinTech is one area with significant growth opportunities. We are working on ways to use technology and financial organisations and to stimulate inward investment and enterprise. We are continuing to build on the partnership between government, industry and regulator in financial services. We are focusing on protecting existing markets and products, developing new ones, and promoting our services to new markets overseas. I am pleased that we start this Strategic Plan debate, having for many years considered how we can revitalise the tourism industry in our community, and we start this debate having now set up Visit Jersey and having a first class C.E.O. (chief executive officer) of that new organisation. I have more hope for that particular sector of our economy than I think I have had in many years. I congratulate not only Senator Farnham, who is now at the helm, but also the Minister for Treasury and Resources who was instrumental in starting that course. In St. Helier, the engine of our economy, where most of us work, live or socialise, we want to see St. Helier rejuvenated, to become a modern, vibrant town that preserves the best of its history, accommodates high quality homes, shops and offices and provides great public amenities. A centre of culture and a centre where we come, we understand our history, our traditions, that we are modern and forward-looking. Perhaps I could just thank the Connétable of St. Helier for the role that he plays in driving forward this agenda and those aims in St. Helier. We sometimes overlook the impact that he has had on our culture, particularly having returned yesterday afternoon, or this morning, from Bad Wurzach with the Connétable. I see there first-hand that his courage and his decision making gives hope for many in our community for the future, for it was him that decided that that twinning would take place and it was that strong decision that I think has helped give hope. I hope that by working together with him we will see many more strong and courageous decisions like that. We have started working with the Connétable to develop a new plan for St. Helier and we wish to involve not only him but all residents as we develop our proposals. We want to incorporate the new finance centre, decent affordable homes, parks, a distinctive retail centre, and a clear transport plan. Alongside the Draft Strategic Plan we have published a statement summarising how we plan to find the resources to fund our priority areas. I believe that the cornerstone of sustainable public finances or sustainable public finances in Jersey are low taxes, a strong economy, an efficient public sector and balanced budgets over the economic cycle. Jersey distinguishes itself from many other jurisdictions by having prepared and provided for the future. We have avoided meeting funding challenges by debt. That is what we have always done and it is the right thing to continue to do. The effects of course of the global recession have lasted longer than expected and our income is not rising as fast as it has in the past. However we continue to have a strong balance sheet and our only debt is linked to social housing, which provides an income stream. So we have more options than most to tackle the challenges we face. We know, as I have said, that health services are costing more each year, and those services will be funded from the taxes of a smaller working population as our population ages. We know we have a significant amount of investment to make in our priority areas. Our forecasts show that if we are to maintain existing services and fund the priority areas of Health,

Education, Economic Growth and to allocate funding for capital spending, we would have a funding gap of £125 million by 2019. But we are proposing, as we have already considered in questions this morning, a number of measures to close that gap. Those measures, as I have said, include boosting economic growth, encouraging business start-ups and creating jobs. The Fiscal Policy Panel has recommended that Ministers should aim to balance revenue and current expenditure over the economic cycle. The panel also said we should continue to invest, particularly in infrastructure, and we should support productivity improvements and competitiveness. The millions of pounds allocated to the Back to Work team in the M.T.F.P. 1 and other jobs and growth initiatives will be maintained to keep Islanders in work and to stimulate that economic growth. Another of our proposed measures is to work with staff and unions to restructure the public sector and by that, I mean, real restructuring. We are working across the organisation, not restricting our thinking to slicing savings from within our own departments. We will reduce spending in some areas so that we can invest in others. This will mean ceasing to provide some services and re-designing others. Merging departments, exercising pay restraint, it will mean reducing duplication, removing unnecessary regulations, providing flexible office accommodation so staff can work where they are needed, and of course we will make some changes to benefits. We are also investigating options for a health charge. We have to reprioritise our spending so we can put the money where we really need it. The public sector reform programme has already laid the foundations for that reprioritisation. We are looking at the organisation as a whole, as I have said, and we are considering how we can do more for less. Taking this action now will limit the required increase in spending while funding the priorities in this plan and at the same time balancing the books.

[11:45]

It will be refocused on the areas we believe are the most important. The reform programme will help us keep spending under control. It will help us to develop a flexible public sector that is ready for the challenges ahead. These measures will take that programme to the next stage and help ensure the available funds go where they are most needed. Today's debate is the culmination of a process which began in November last year. The challenges facing the Island over the next few years will mean some difficult choices. The Strategic Plan will be our framework for making those decisions, as you rightly said in your intervention, Sir. It is a statement of our priorities for the next 3 years. Of course it looks further ahead. The planning for our future section explains how important it is to balance our economy, our community and our environment. Jersey has a proud history of looking forward and of planning for its future. I know that we can work together to keep Jersey the special place that it is today. Thank you. **[Approbation]**

#### **The Deputy Bailiff:**

Thank you, Chief Minister. Is the proposition seconded? **[Seconded]** Members will know that there are a number of amendments and there is a running order, which hopefully Members have available, and it may be as well to refer to that at this point. Now the first amendment listed is that of Deputy Tadier. Of course Deputy Tadier is not present. Members will have seen the email that he circulated asking that his amendment be taken at a different time. I have looked at that amendment. It seems to me to be stand-alone and not dependent upon others and that seems to me to be a reasonable way. So if Members agree we will defer Deputy Tadier's amendment until he can be present in order to move it himself. Members agree.

#### **6.2 Draft Strategic Plan 2015 – 2018 (P.27/2015): eleventh amendment (P.27/2015 Amd.(11)) - paragraph (1)**

#### **The Deputy Bailiff:**



Then the next amendment to look at is that been lodged by the Corporate Services Scrutiny Panel, namely the Draft Strategic Plan, eleventh amendment, and I ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words - “except that - (1) on page 5, in the fourth paragraph of the section headed “What are the key challenges we face”, after the words “does not jeopardise the Island’s recovery.” insert the words “Achieving fiscal balance must be our first priority”.

**6.2.1 Deputy J.A.N. Le Fondré (Chairman, Corporate Services Scrutiny Panel):**

It is a very simple amendment we are proposing. The amendment basically seeks to place greater emphasis on the public finances in the Strategic Plan by bringing it into a ‘Priority’ rather than being mentioned in disparate parts of the Strategic Plan. We are, as a pointed out, accepting the amendment by the Council of Ministers, which we very much welcome, and we welcome the comments in that amendment, which I shall just repeat briefly: “The additions that are made by the panel relating to allocating resources in line with strategic priorities, challenging expenditure, recommendations of the Comptroller and Auditor General, organisational culture, collective strategic responsibility in reviewing the obligation to provide a service are all accepted and wholly in line with the thinking of the Council of Ministers.” I welcome those remarks very much. On that basis, and on the basis we have a very long day ahead of us, I shall move the amendment. Thank you.

**The Deputy Bailiff:**

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

**6.3 Draft Strategic Plan 2015 – 2018 (P.27/2015): eleventh amendment (P.27/2015 Amd.(11)) - paragraph (1) - amendment (P.27/2015 Amd.(11)Amd.)**

**The Deputy Bailiff:**

Now there is an amendment to this amendment and therefore I ask the Greffier to read the amendment of the Council of Ministers.

**The Deputy Greffier of the States:**

For the words “must be our first priority” substitute the words “must be a priority”.

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

I was going to let the Minister for Treasury and Resources lead on this particular amendment but in light of the acceptance by the Scrutiny Panel, for which we are extremely grateful, hopefully we will not need to debate the amendment.

**The Deputy Bailiff:**

Is that amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment of the Council of Ministers? No Member wishes to speak then those in favour of the amendment of the amendment kindly show. The amendment is adopted.

**6.4 Draft Strategic Plan 2015 – 2018 (P.27/2015): eleventh amendment (P.27/2015 Amd.(11)) - paragraph (1) - as amended**

**The Deputy Bailiff:**

We return to the amendment of the Corporate Services Scrutiny Panel, as amended. Does any Member wish to speak on that amendment? If no Member wishes to speak then those Members in favour kindly show. That amendment is adopted.

**6.5 Draft Strategic Plan 2015 – 2018 (P.27/2015): eleventh amendment (P.27/2015 Amd.(11)) - paragraph (2)**

**The Deputy Bailiff:**

The next amendment has been lodged also by the Corporate Services Scrutiny Panel. The Draft Strategic Plan 2015-2018, eleventh amendment, paragraph (2) and I ask the Greffier to read that amendment.

**The Deputy Greffier of the States:**

(2) on page 6, in the first paragraph, for the words “Our starting point must be Health” substitute the words “Health must also be one of our top priorities.” (3)(a) after page 6 insert a new Priority “Sustainable Public Finances” as set out in the Appendix to this amendment and on page 6 for the words “Each of the 4 priorities” substitute the words “Each of the 5 priorities”. (3)(b) on page 15, in the first paragraph, after the words “costs than elsewhere” insert the words “; a pressing need to place Jersey on the path of fiscal balance”; after the words “coping financially.” insert the words “It is therefore critical that we have sound and sustainable public finances.”; and in the second paragraph, before the words “4 priorities” insert the word “other”.

**6.5.1 Deputy J.A.N. Le Fondré (Chairman, Corporate Services Scrutiny Panel):**

I shall just remind Members my previous words and move the amendment.

**The Deputy Bailiff:**

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment? All in favour of the amendment kindly show. The amendment is adopted.

**Senator I.J. Gorst.**

Sorry, before we move to the next amendment, would it be helpful if the mover of an amendment, once they have spoken, if Ministers said whether they accept it or not so that everyone was aware if the mover themselves do not mention it?

**The Deputy Bailiff:**

Thank you indeed, Chief Minister. Members might have noticed we have hit a slight technical hitch in the sense that the Greffier read out the wrong paragraph in the amendment, so I think we must go back and look at the amendment again. Greffier, if you would read the amendment of the Corporate Services Scrutiny Panel, thank you.

**The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words – “except that – (2) on page 6, in the first paragraph, for the words “Our starting point must be Health” substitute the words “Health must also be one of our top priorities”.

**The Deputy Bailiff:**

Chairman, I am sure you are not going to want to repeat the brief thing you said before. Is that amendment seconded? **[Seconded]** Does any Member wish to speak on that amendment? All those in favour please show. The amendment is adopted.

**6.6 Draft Strategic Plan 2015 – 2018 (P.27/2015): eleventh amendment (P.27/2015 Amd.(11)) - paragraph (3)(a)**

**The Deputy Bailiff:**

The next amendment is that also lodged by the Corporate Services Scrutiny Panel and this is the eleventh amendment, paragraph (3)(a) and I ask the Greffier to read that amendment.

**The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words – “except that – (3)(a) after page 6 insert a new Priority “Sustainable Public Finances” as set in the Appendix to this amendment and on page 6 for the words “Each of the 4 priorities” substitute the words “Each of the 5 priorities”.

**6.6.1 Deputy J.A.N. Le Fondré (Chairman, Corporate Services Scrutiny Panel):**

I will repeat the words I have said previously and I move the amendment.

**The Deputy Bailiff:**

Is that amendment seconded? **[Seconded]**

**6.7 Draft Strategic Plan 2015 – 2018 (P.27/2015): eleventh amendment (P.27/2015 Amd.(11)) - paragraph (3)(a) - amendment (P.27/2015 Amd.(11)Amd.)**

**The Deputy Bailiff:**

There is an amendment to this amendment by the Council of Ministers.

**Deputy J.A.N. Le Fondré:**

Sorry, Sir, we obviously accept that amendment.

**The Deputy Bailiff:**

You accept; I am grateful, Chairman. I ask the Greffier to read the proposition of the Council of Ministers amendment.

**The Deputy Greffier of the States:**

After the words “in the Appendix” insert the words – “except that in the said Appendix for the words (under the heading “Our Ambition”) “The Island’s finances return to being in surplus, with prudent, sustainable and long-term financial measures and systems in place.” substitute the words “Place Jersey on a sound path to structural fiscal balance and aim to balance States revenue and current expenditure (including depreciation) over the economic cycle in line with the advice of the Fiscal Policy Panel”.

**6.7.1 Senator I.J. Gorst (The Chief Minister)**

We are grateful to the Corporate Services Panel for accepting the amendment and therefore I will not say anything further.

**The Deputy Bailiff:**

Is that amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment of the Council of Ministers? All those in favour of the amendment kindly show. The amendment is adopted.

**6.8 Draft Strategic Plan 2015 – 2018 (P.27/2015): eleventh amendment (P.27/2015 Amd.(11)) - paragraph (3)(a) - as amended**

**The Deputy Bailiff:**

We return now to the amendment of the Corporate Services Scrutiny Panel. Does any Member wish to speak on that amendment? If no Member wishes to speak then those in favour kindly show. That amendment is adopted.

## **6.9 Draft Strategic Plan 2015 – 2018 (P.27/2015): ninth amendment (P.27/2015 Amd.(9)) - paragraph (1)**

### **The Deputy Bailiff:**

We now come to the amendment from the Environment Housing and Technical Services Scrutiny Panel, namely the Draft Strategic Plan 2015-2018, P.27, ninth amendment, paragraph (1), and I ask the Greffier to read the amendment.

### **The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words – (1) “, except that in the chart on page 8 of the draft Plan before row 1.1 insert an additional row as follows with the remaining rows renumbered accordingly. Desired Outcome. 1.1 Incorporation of environmental issues within determination of health strategy and policy. Key Areas of Focus 2015-2018. Consider within policy-making environmental issues (which have both direct and indirect impacts on health and well-being) and how they can be addressed as part of an overall preventative strategy.

### **The Deputy Bailiff:**

I think the Council of Ministers accept this amendment, Chairman?

### **6.9.1 The Connétable of St. Helier (Chairman, Environment, Housing and Technical Services Scrutiny Panel):**

The panel has put forward a number of amendments. I would like to say a few words about them, which I will not repeat clearly when we come to the individual amendments. All, perhaps except the first, have been accepted by the Council of Ministers. I suppose there is a risk that we are going to race through these as quickly as we did the last bunch, which is good in some ways in terms of time management but given the position of the panel, concern that perhaps the environment gets paid lip service to particularly when plans are being devised and election promises are made but then the environment seems to slip down agendas. The panel felt it was important, having just completed our first review into the environmental policies of the States, that we try to push the environment back up the agenda in an explicit way. There are of course references to the environment in the Draft Strategic Plan but they come in the section on long-term planning and there are essentially no explicit references to the environment in the 4 proposed priorities of the Council of Ministers. None of the amendments that we are proposing will change or add to the Council of Ministers priorities but they will simply ensure that the environment is up there at the top of the agenda. The Island vision we have been told will deal with environmental matters and we accept that and we look forward to it. In an ideal world we would have had the Island Vision before we had the Draft Strategic Plan but the Council of Ministers has done a lot of work to get where they have got to in a short period of time and we are not going to criticise them for that. I suppose the final thing to say generally about our amendments is that having just completed a review of environmental policies since the Landmark report prepared by the environmental adviser for the start of the millennium we essentially have 15 years of environmental policy making, environmental commitments, and as our Scrutiny Report points out - Members I hope will have had a chance to glance at it over the weekend since receiving it over the email on Friday, and I do thank Members who came to the presentation on the panel's first report - there has been a danger that we have been able to promise environmental progress not always delivering. So that is really the background behind these amendments. This first one on Health, the Council of Ministers say that it is unnecessary and they say that the panel may wish to withdraw it. I can confirm the panel does not wish to withdraw it because we read on in their comments that if we are minded to pursue the amendment the Council will accept it. So that is good. The only thing I would like to say by way of the amendment on Health is to refer Members to the comments by our adviser. We had an expert adviser helping us through the background of comments on the background of

environmental policies and we came away very clearly with the impression that it was important that we pursue this amendment. I am just going to quote, if I may - this is on page 7 of our amendments. Our adviser stated to us: “The most cost effective mechanism for delivering health and well-being is through prevention rather than cure. The environment has the single largest impact on people’s health and well-being for the quality of the air, water, nutritional value of the food, management avoidance of pollutants and contaminants and access to the surrounding natural environment parks, countryside and coast.”

[12:00]

“For an effective preventative health and well-being strategy to be delivered it should have full regard to and the integration of environmental issues throughout.” We found that a really helpful comment by this independent adviser who has helped us look back over States policies and we feel almost more than in any of the other 4 strategic priorities the environment has got to be at the heart of our thinking about Health, particularly as we prepare to ask the Island to spend a large amount of money on a new hospital. Let us make sure that environmental considerations are at the forefront of our discussions. With those comments I maintain the amendment.

**The Deputy Bailiff:**

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

**6.9.2 Senator A.K.F. Green:**

Really just to thank the Constable for his amendment. We did say that we did not think the amendment was entirely necessary, that is true. But at the same time we understand that the Constable and his panel wanted to emphasise that environment was important to well-health and well-being. I would just like to point out and agree with that comment. It is important but there are a number of other areas that are important to us as well. For example, economic and social policy, our education, our employment, our housing, our transport, our infrastructure and our leisure facilities, all come together to form part of the environment in which we provide health care. The Constable is not minded to withdraw it. We are very happy that it is there but did not think it was necessary to bring it out separately.

**The Deputy Bailiff:**

No other Member wishes to speak on this amendment, I call on the Chairman to reply.

**6.9.3 Deputy G.P. Southern:**

Sir. Obviously we are getting into speedy mode at the moment. We are about to race through this. I am quite surprised by this and I am making the first of perhaps several remarks today about the overall thrust of the Strategic Plan. In particular the proposer of these amendments said that this does not reprioritise the plan, this simply adds some refinement. I would suggest that without an essential addition those green initiatives will mean very little. What I mean by that is reference to population because it is population which drives the resource demand. It is population that will ruin the green nature of our Island and it is increasing population which we have to avoid. If we are to protect our green island then what we must address is the population issue. Now I am severely critical of the Minister because all we have got at the moment is an interim population policy. It is supposed to last us 2 years and here we are talking about the 4-year Strategic Plan without a population policy in place. The words on page 16 of the plan give me no comfort at all that this Chief Minister and this Council of Ministers have got their priorities in any way correct. Page 16, if Members will turn to it, just to remind themselves, they talk about the priorities and population policy and talk about “the big picture”. The big picture seems to be concentrated on some very big cities which happen to have a policy of growing like billy-o. Well I remind Members we are not a big city and we cannot grow like billy-o. We will have problems growing our population if that is

what is seen is the solution, and it appears to be. So they state there: "Population growth is the solution for these cities - not a problem. They actively want to attract younger skilled workers to ensure sustainable prosperous future. The challenge they face is to accommodate more people in a way that sustains their attraction as a place to live. Their plans emphasise social and environmental improvements." Well they might well do because their population is going up through the roof. They will not see those environmental improvements, I doubt. Then the Council of Ministers go on to say: "But we must also be realistic. Inward migration has a key role to play in Jersey's future. Employers will always need staff with skills, market knowledge and experience, not immediately available locally." It seems to me that what we have got is a policy for growth of population and the safeguards put in by the Scrutiny Panel are, I believe, not strong enough. Without that key element of population and control of population we are going nowhere. We will see demand on resources going up and up and up. We will see demand on green spaces going up and up and up and eventually we will see our ageing population because as we stuck people in they will, sure as night is day, like we all do, age. We will see a worse problem 20 years down the line than we are facing now. That is the reality. Dependency ratios do not alter that much when you increase population. That is the danger. Browsing, as I was, in preparation for this debate I came across my previous Strategic Plans and in particular one which dates back to my very earliest days here in February 2002, when I first came here, and not many people will remember this in the Chamber, it was called *Jersey into the Millennium: a sustainable future*; December 2001. In it, it said, clearly: "The outcomes of the process of developing this strategy have confirmed the view that maintaining a permanent resident population, the same or less than the current level, is central to environmental, economic and social objectives discussed throughout the strategy. We need to set the level of population as a policy. It then went to talk about 15 years ago, all that time back, what the population was then: "The latest Census establishes the current population of Jersey at 87,186. Population will rise to about 89,000 by 2016." Those were the figures then. We know better now. The population has risen under this Council of Ministers and its predecessors to 100,000. It may well be above that mark already. But we know it is rising and we know it is going up. Unless we can control that, and the element is not contained either in this amendment or in this document, the Plan, unless we control population we are going nowhere. We are doomed to fail. I hesitate to use the word "doomed" because I always think of a certain Scottish gentleman. But anyway.

#### **6.9.4 Deputy A.D. Lewis:**

I could not resist this one, I am afraid. The Deputy continues to scaremonger about population growth. It is well documented in many States reports about the possible desperate effect of depopulation and Guernsey, I believe, is about to possibly experience this. So population growth is inevitable through birth rate and through obtaining the right skills that we need to run our economy. But controlled growth is what we really want and this plan and others before it go a long way to illustrating that: controlled growth. If the Deputy wants our young people to have jobs in the future, importing of certain skilled labour will be vital to growing our economy. So I think to have a strategy that did not include some form of population growth would be a disaster for Jersey and Members should really look at that closely before they make such statements. It almost suggests going back to the dark ages when we would say Jersey is closed for business, we do not want any more people in Jersey. There are islands around the world that are depopulating at a very, very great rate. Their brain drain is significant. In Jersey we do not have that at the moment and if we can encourage economic growth we will create jobs for our young people, not just now but in the future and for the long-term future, so any Strategic Plan must include an element of growth in our population whether we like it or not. As soon as we get to the point of depopulation we are in big trouble. I think Members should be very careful at what they say about population growth. The evidence is there, but yes, it needs to be controlled, yes, the environment needs to be acknowledged and, yes, unfortunately - I am a Deputy of St. Helier - a lot of that growth, the housing and other

resources, will come from St. Helier, but St. Helier can benefit from that. It will help regeneration. It will assist in financing some of it and we can make St. Helier a great place to live and work as a result of it. But depopulation is a much, much greater risk than increasing population. I think Members should be very mindful of that.

#### **6.9.5 Senator Z.A. Cameron:**

I would just like to reiterate the advice that the Environmental Scrutiny Panel received on the effects of health on the environment. Just to confirm that in my opinion as a medical doctor the most significant effect on health of the population is the quality of the environment.

#### **The Deputy Bailiff:**

Does any other Members wish to speak on the amendment? Then I call upon the Chairman to reply.

#### **6.9.6 The Connétable of St. Helier:**

I am grateful to Senator Cameron for bringing the debate back to the panel's amendment of the health priority in the Strategy. Although having said that, I am not disappointed that Deputy Southern raised the issue of population. In fact the panel has not dodged it. If I can refer Members to our report and if they have not seen it, perhaps they have not had a chance to, it has been a busy weekend, but we do say on page 4 of our report, that resource use and demand management and low impact living are particularly vital in the light of current population policy that expects an ongoing increase in the Island's population. The key phrases here are "demand management" and "low impact living" because it must be self-evidence to Members that a certain number of people which imposes a high demand on their environment, and which makes a high impact on the environment, is going to have the same environmental toll, if you like, on the environment as a much larger group of people who do not have such a large demand, whose demand is managed. We wanted to have this in our report, in our review of environmental policies, because we were well aware that *Jersey into the Millennium*, which is the report I alluded to in my comments, did possibly weaken its appeal to the politicians of the day because it insisted that a population cap was essential for any kind of environmental sustainability in Jersey. People of the day, and I must say I am one of them now, simply do not think that is true. A larger number of people are probably now already living in Jersey than was anticipated back in the year 2000, and that is probably because people today are much more aware of environmental issues than they were before. I suspect if the counts were done that far more people, for example, are cycling to work than they used to back in the year 2000, but that is a matter for another day. The other point I would make to the Deputy is that the panel has addressed in its amendments the very matter that he claimed is not being properly raised in the Strategic Plan. That, in a way, because the Deputy's comments justify the fact that we brought the amendments, we felt the environment was not getting a high enough priority in the Strategy, in the 4 priorities, and if the Deputy casts his eyes down the 5 amendments we brought, we use the phrase "environmental sustainability". What that means is not letting a growing population damage the environment so that it can no longer support people who come after us. We use management of resource use, demand management. This is about making sure that a growing population does not eat into the natural resources, does not denude the Island of green space, does not make the air and the water impossible to use. So I believe that the panel has done a useful job in bringing this matter forward. I do not think we have shirked the issue of population perhaps by calling it "demand management" and "low impact living". We have come at it rather more constructively and perhaps realistically than simply calling for a cap on the population. But I nevertheless thank the Deputy for raising the matter. I thank Members for not embarking on a full-scale population debate because that would have extended the day somewhat, and I maintain the amendment.

**The Deputy Bailiff:**

Those Members who are in favour of the amendment kindly show.

**Deputy J.A. Martin**

Can we have the appel please?

[12:15]

**The Deputy Bailiff:**

The appel is called for. Members are invited to return to their seats. I ask the Greffier to open the voting.

<b>POUR: 40</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier				
Senator A.J.H. Maclean				
Senator I.J. Gorst				
Senator A.K.F. Green				
Senator Z.A. Cameron				
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy S.Y. Mézec (H)				
Deputy A.D. Lewis (H)				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				



**6.10 Draft Strategic Plan 2015 – 2018 (P.27/2015): twelfth amendment (P.27/2015 Amd. (12))  
- paragraph (1)**

**The Deputy Bailiff:**

The next amendment has been lodged by the Corporate Services Scrutiny Panel. The twelfth amendment, paragraph (1), and I ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words -(1) “except that on page 8, in row 1.4, after the words “Agree the Future Hospital Site, and,” insert the words “subject to agreement of the final budget, and funding, by the States Assembly”.

**The Deputy Bailiff:**

I think the Council of Ministers is accepting this amendment. Chairman.

**6.10.1 Deputy J.A.N. Le Fondré (Chairman, Corporate Services Scrutiny Panel):**

On the basis that again we welcome the acceptance of the Council of Ministers of all the amendments now by the Corporate Services Scrutiny Panel. All this does is continue our focus on money and budgets and in this instance in respect of the hospital. I think on that point, on the basis of acceptance, I will move the amendment. Thank you.

**The Deputy Bailiff:**

Is the amendment seconded? [Seconded] Does any Member wish to speak on the amendment? If no Member wishes to speak on the amendment then those in favour of the amendment kindly show. The amendment is adopted.

**6.11 Draft Strategic Plan 2015 – 2018 (P.27/2015): ninth amendment (P.27/2015 Amd. (9)) -  
paragraph (2)**

**The Deputy Bailiff:**

The next amendment has been lodged by the Environment, Housing and Technical Services Scrutiny Panel. The ninth amendment to paragraph 2 and I ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words - (2) “, except that on page 9 of the draft Plan, in the section headed ‘Our Ambition’ after the words ‘educational achievement’ insert the words “, environmental awareness” and in the chart on page 10, before row 2.1, insert an additional row as follows with the remaining rows renumbered accordingly. Desired Outcome. 2.1 Jersey’s children and young people are given an awareness of the environmental issues facing Jersey and the development of the Island’s education system and curriculum takes into account environmental sustainability. Key Areas of Focus 2015-2018. Jersey’s children understand the environmental and resource challenges facing the Island. Environmental sustainability is fully integrated into the decision-making process.

**6.11.1 The Connétable of St. Helier (Chairman, Environment, Housing and Technical Services Scrutiny Panel):**

I thank the Council of Ministers for their very positive comments on page 3 of their comments on the amendment and it is worth just quoting one line from that where they say, and I quote: “All schools - all schools - are participating in the eco-schools programme which requires the integration of sustainability into the school curriculum.” I think that is fantastic. Perhaps of any of our

amendments that is unnecessary it is this one because can our young people and our children not teach us more about how to recycle, for example, and how to do things in an environmental way than any expert we might care to ask. So I thank the Council for their support and we do accept that the education in our Island is really pushing forward on environmental issues and maintain the amendment.

**The Deputy Bailiff:**

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

**6.11.2 Deputy S.G. Luce of St. Martin:**

Might I just very briefly thank the Constable for those kind words? Certainly working alongside Education, I have officers in my Environment Department that go into schools and, as the Constable said, all schools have an opportunity to take part in this eco-friendly scheme. Most recently I went myself to Trinity Primary School to award them a green flag for the outstanding work that they have done in regard to the environment. So I thank the Constable for his words and I also thank the Education Department for working along with us to increase the awareness of young people.

**6.11.3 Deputy R.G. Bryans of St. Helier:**

Could I thank the Constable for adding this in? I think it is an absolute delight and I am pleased to say that Members will see that when the curriculum is finally published the seeds of what he has been asking for will absolutely be sown into the document. Thank you.

**The Deputy Bailiff:**

Does any other Member wish to speak on the amendment? Then I call upon the Chairman to reply.

**6.11.4 The Connétable of St. Helier:**

I thank both Ministers for their support and maintain the amendment. Thank you.

**The Deputy Bailiff:**

Those Members in favour of the amendment kindly show. Those against. The amendment is adopted. The next amendment is amendment 14 which is to be brought by Deputy Tadier. I propose to move this also further down the list until Deputy Tadier is here to present it, if Members agree.

**6.12 Draft Strategic Plan 2015 – 2018 (P.27/2015): eighth amendment (P.27/2015 Amd. (8))**

**The Deputy Bailiff:**

Then the next amendment has been lodged by Deputy Doublet, namely the Strategic Plan 2015-2018, P.27, the eighth amendment. Before I ask the Greffier to read the amendment, Deputy, can we take these amendments together as far as you are concerned?

**Deputy L.M.C. Doublet of St. Saviour:**

Yes, Sir.

**The Deputy Bailiff:**

Then I would ask the Greffier to read the amendments.

**The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words - “except that on page 10 - (1) in row 2.1, after the second bullet point insert an additional bullet point as follows - ‘Creativity is encouraged within the system so that pupils are ready to innovate as part of a diverse economy’; (2)

in row 2.4 for the words ‘are school-ready’ substitute the words ‘are socially, emotionally and developmentally ready for school’; (3) for the first bullet point in row 2.4 substitute the following bullet point, ‘Support children and families from conception, through the critical pre-school years (as outlined in the 1,001 Days Initiative) and beyond’.”

**The Deputy Bailiff:**

I think the Council of Ministers accept this amendment, Chief Minister? These amendments?

**Senator I.J. Gorst:**

That is correct, Sir, yes.

**6.12.1 Deputy L.M.C. Doublet:**

Thank you. Firstly I would like to thank the Chief Minister, the Minister for Education, Sport and Culture and, of course, all the Ministers for not only accepting this amendment but welcoming it. I really do feel a lot of optimism for the next 3 years given this collaborative and open approach. So, once again, thank you all. I am pleased that I was asked to take these 3 together because I would like to take them in reverse order as they are written as they do relate chronologically to child development. So I will speak on the third one first of all. So this is the one that is on page 10, section 2.4, and it relates to the early years and the 1,001 Days Initiative. I am going to call it the Initiative. It has been called the 1,001 Days Manifesto, the 1,001 Days Commitment, all sorts of things. So I am going to call it the Initiative throughout. So the desired outcome here is to ensure that every child has the best start in life and the corresponding key area of focus is to support children and families during the critical pre-school years. Now, of course, I agree that we should do this, however there is not one definition of what the pre-school years encompasses so I have broadened it out so it is clear that the support should be for the entire 1,001 days, which starts at conception, through pregnancy, birth, infancy, all the way through the pre-school years, and of course we would continue to provide support beyond that if needed. I hope that Members will agree with me that we want to build a society that nurtures and supports its citizen’s right from the very beginning because this is how we get it right. So I have added the 1,001 Days Initiative firmly on the table of priorities here in the Education section so that we have got the opportunity to do that and we can use it as guidance. It is deliberately left open so that the Ministers can make their assessments of which parts of their initiative they will implement first. So I will move on to the second one now, which is on the same page, section 2.4, same section, and it is in the desired outcome section. Now, this was the first part that I was tempted to amend because the word “school-ready” just jumped out at me and any early years’ practitioners who will hear this phrase, it would strike fear into their heart. I will explain why. In fact there was a letter written to the *Telegraph*, an open letter about 18 months ago from over 120 senior teachers, academics, authors and early years’ experts on this particular issue. To quote from that letter: “Though early childhood is recognised worldwide as a crucial stage in its own right, Ministers in England persist in viewing it simply as a preparation for school. The term ‘school-ready’ is now dominating policy pronouncements despite considerable criticism from the sector.” So I did wonder why it was in here as an aspiration in this very important policy document, you know this term that does speak of forcing things on to a child before they are ready, of squashing their natural enthusiasm for active exploratory learning and with this insistence that they sit down and do academic things like holding a pencil. But, and I am sure the Minister will confirm this as I have heard him quoting from this report, a recent report has been published that has redefined this term “school-ready”. It was published by the Professional Association for Childcare and Early Years and this association found that 96 per cent of the teachers they consulted agreed that an understanding of reading, writing and maths was not of key importance in helping children to be school-ready. Instead highlighted the development of independence, confidence and curiosity, social and emotional skills, and it speaks

of children not just being school-ready but being life ready. Is this not what we want? So I have added the term “socially, emotionally and developmentally ready” so it just not just say “school-ready”. This will make absolutely clear that we are not taking on this harmful notion of school readiness, this academic tick list version. It is just adding a bit more detail so that we use this one which is endorsed by the experts and is most beneficial in giving very young children what they really need to grow and thrive on Jersey. Okay, so the third one is - which is in section 2.1 - in the key areas of focus. I have just added another bullet point. This one started as a bit of an add-on but as I wrote it I started to realise how incredibly important it is. I think if Deputy Tadier was here he would be nodding because he has submitted an amendment which focuses on this more specifically, on creativity in our education system. So our teachers have seen education becoming narrower and narrower in recent years in terms of the experiences that children are having because it seems that producing data has become the most important function of our education system. We are in real danger of losing sight of what we really want to give our children as they go through school. Standardised testing, if we are not careful, will lead to standardised citizens. If we do insist on going down this road of collecting data on our children’s academic attainment and making this academic side the thing that we hold up to be important and aligning to our business needs and our economic needs, then we have got to be very, very careful that we balance all of this out. We must make it explicitly clear in this plan that we also value those skills that cannot necessarily be measured. Not just the things children will need if they want to have a job in finance. So we have to give schools and teachers permission to focus on the whole child, on all their talents, not just the academic ones because do we want to churn out rows of teenagers who have been taught there is only one answer to the question, who are unable to communicate and interact with others, who cannot think for themselves, or do we want to encourage creative divergent thinking and individuals who can think of many possible solutions to a problem, new ways of doing things and exciting new ideas and who can innovate, because this innovation that we are all expecting to help us build our economy and to provide growth does not come from nowhere, it comes from our children and from letting them think in this creative way and letting them learn in this way. So I want to see from the Minister a more creative education system and I know he can do it, and I have faith in him, but it does need to be written down here in the priorities so that we do not lose sight of it with all the inevitable pressures that will come along, so that it is still there for our children. Just so that no one is in any doubt as to how important this is, I am going to read a quote from my favourite educationalist, Ken Robinson: “Nobody has a clue, despite all our expertise, what the world will look like even in 5 years’ time and yet we are meant to be educating children for it. The unpredictability is extraordinary. We can all agree on the extraordinary capacities that children have on their capacity for innovation. All children have tremendous talents and we squander them pretty ruthlessly. I contend that creativity is as important in education now as literacy and we should treat it with the same status.” I will finish there and I sincerely hope that the Assembly can be united in approving this amendment and having this focus on children and families, and that we can all stand together. I call for the appel, please.

**The Deputy Bailiff:**

Thank you, Deputy. Firstly, is the amendment seconded? **[Seconded]** Does any Member wish to speak on these amendments?

**6.12.2 Deputy R.G. Bryans:**

I do not really need to go into detail. I think the Deputy has done extremely well in articulating her thoughts and I think it does show that both Deputy Doublet and I are closely aligned in what we consider to be important in children’s education, whether it is dealing with creativity or indeed the need for child friendly schools in existence in the way that we have here in Jersey at the moment.

So I warmly welcome the amendments and I would say that I warmly welcome the notion of recalibrating what we have already decided to do so thank you very much indeed.

[12:30]

**6.12.3 Deputy G.P. Southern:**

Just briefly, Members will be aware of course that I have got a fourth amendment coming up which attaches to desired outcome area 5, which echoes and defines actions to be taken come the Medium-Term Financial Plan. I remind Members that this document that we are dealing with today is strategic and is only reflected and only serves a purpose when it comes as the priorities to the Medium-Term Financial Plan. That is when the money gets divvied-up. Now, my worry here is that unless Members wish to also support - and I hope they do - my amendment 4, that when push comes to shove in the list of priorities that a phrase which says: "Support the 1,001 Days Initiative" does not become concrete. It is not attached to some money, does not attach to a spend that is required in order to deliver. I very much fear that some Members, Ministers in particular, will be walking around as they have been since November last year, saying: "I fully support the 1,001 Days Initiative" and what does that mean? I do not hear it. I do not hear it. I do not think we are going to hear it until the Medium-Term Financial Plan unless we put some concrete actions in it first. So while I admire the sentiment of the proposer and support her wholeheartedly, and I hope it does work, I fear that unless we do belts and braces somewhere in the line I think we might find that the sum of money required or the staffing that is required will suddenly get reprioritised and other things will take their place. So wish it well but beware Members.

**6.12.4 Deputy P.D. McLinton of St. Saviour:**

I will try and do this with a good deal less cynicism, and I congratulate Deputy Doublet on the excellent amendments. Good work. Her amendments speak to the development of children's emotional intelligence and therefore a child's emotional intelligence will bear resilience from the ground up. So it is very important that we do take care of that. Maybe historically we have taught children to be confident in what they do but not who they are. People do get confused. There is a grand difference between what a person does and who a person believes that they are. Her amendments speak to building of a child's who they are. From that they can have the confidence to learn what to do throughout their entire life. So I thoroughly congratulate Deputy Doublet on her amendments.

**The Deputy Bailiff:**

Does any other Member wish to speak on these amendments? If no other Member wishes to speak then I call upon Deputy Doublet to reply.

**6.12.5 Deputy L.M.C. Doublet:**

Thank you. I have nothing further to add. I move for the appel.

**The Deputy Bailiff:**

How do you like to take these, Deputy? Would you like to take them in any particular order or would you like to take them *en bloc*?

**Deputy L.M.C. Doublet:**

Can we take them together?

**The Deputy Bailiff:**

Take them *en bloc*. Members who are in favour of the amendments taken *en bloc*, kindly show?

**Deputy J.A. Martin:**

The Deputy asked for the appel, Sir, sorry.

**The Deputy Bailiff:**

The appel is called for. I invite Members to return to their seats and I ask the Greffier to open the voting, which apparently has already happened.

<b>POUR: 44</b>		<b>CONTRE:</b>		<b>ABSTAIN:</b>
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator A.J.H. Maclean				
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator A.K.F. Green				
Senator Z.A. Cameron				
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy S.Y. Mézec (H)				
Deputy A.D. Lewis (H)				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy S.M. Bree (C)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**[Laughter]** If Members have all had the opportunity of voting, then I ask the Greffier to close the voting. I can announce the amendment is adopted: 44 votes pour, no contre and no abstentions. [INSERT VOTE TABLE]

**The Deputy Bailiff:**

**[Approbation]** The next amendment is amendment number 2 of Deputy Southern.

## **LUNCHEON ADJOURNMENT PROPOSED**

**Deputy G.P. Southern:**

Sir, I think at last we are about to come to a debate. I have a substantial speech to make, I do not believe it would be advantageous to me or the House if I were to split it. Could I humbly propose that we retire for lunch and come back ...

**The Deputy Bailiff:**

Well, at any point ...

**Deputy G.P. Southern:**

... a quarter of hour earlier if you wish.

**The Deputy Bailiff:**

At any point a Member can propose an adjournment to a specific time later in the day or any other time. So you propose the adjournment at this point? 2.15 this afternoon, is that right?

**Deputy G.P. Southern:**

If the House would have it, yes, Sir.

**The Deputy Bailiff:**

Is that seconded? There is a proposition so is that seconded? **[Seconded]**

**Senator P.F.C. Ozouf:**

We have a long agenda and surely 8 minutes to go we could start?

**Senator I.J. Gorst:**

May I make a suggestion that we come back at 2.00 p.m. as opposed to 2.15 p.m. **[Approbation]**

**Deputy G.P. Southern:**

I second that.

**The Deputy Bailiff:**

In which case Deputy Southern is prepared to propose that. Are Members content that we adjourn at this point but return at 2.15 p.m. I beg your pardon, Deputy?

**Deputy S.J. Pinel:**

Excuse me, Sir, we have a presentation on the Sex Discrimination Regulations at lunchtime at the Société and it finishes at 2.00 p.m.

**Deputy K.L. Moore of St. Peter:**

Perhaps we could move to the next item?

**The Deputy Bailiff:**

A proposal to move to the next item, I think, ends the debate on the Strategic Plan [Laughter] which I am not entirely sure would be within the wish of the Assembly. It is now 12.40 p.m., there is a proposition to ... is it a proposition, Deputy to adjourn to 2.15 p.m. or to adjourn until 2.00 p.m.? 2.15 p.m. Is that proposition seconded? [Seconded] It is, all right. All Members in favour of adjourning until 2.15 p.m., kindly show? All against. The States stands adjourned until 2.15 p.m.

[12:37]

**LUNCHEON ADJOURNMENT**

[14:15]

**The Deputy Bailiff:**

Before we resume, could I welcome His Excellency, who joins us for the afternoon. [Approbation] I notice that Deputy Tadier is back in the Chamber, I wonder if this might be a convenient time to take Deputy Tadier's amendments, if Members would agree to that. Are you ready to proceed, Deputy?

**Deputy M. Tadier:**

Thank you, Sir.

**6.13 Draft Strategic Plan 2015 – 2018 (P.27/2015): sixth amendment (P.27/2015 Amd. (6))**

**The Deputy Bailiff:**

Sorry, Deputy, is there something you wanted to say of a procedural nature before ...? Then I think the next amendment is that lodged by Deputy Tadier, namely the sixth amendment and I would ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

After the words "in the attached Appendix" insert the words: ", except that on page 3 of the draft Plan in the fifth bullet point under the heading "Our Goals" after the words "development of skills" insert the words ", creativity and life-long learning".

**The Deputy Bailiff:**

I believe that these amendments are accepted, Chief Minister?

**Senator I.J. Gorst:**

That is correct, Sir, yes. Thank you.

**6.13.1 Deputy M. Tadier:**

First of all if I could just thank the Assembly for accommodating the slight change in the Order Paper, it is appreciated. I am pleased to be able to present this fairly straightforward amendment on behalf of Reform Jersey, and I am pleased that the Council of Ministers, Chief Minister, have accepted it. Essentially ...

**Senator I.J. Gorst:**

I am sorry, we did not realise it was a Reform Party one. [Laughter]

**Deputy M. Tadier:**

I presume that would not have mattered. [Laughter] Of course, joking aside, there may well be some point at which we will be able to put amendments and comments and propositions in our own



name but this is something clearly which we all support here and I am glad that it has got wider support throughout the membership. As it would have stood unamended, page 3 under the goals would have read simply to provide a first-class education service supporting the development of skills. It was believed that this was too narrow so it was thought that inserting the development of skills after that creativity and lifelong learning ... we have probably heard already, to some extent, this morning why those are also very important. If I just read from the brief report that I have prepared: “The focus on improving educational outcomes is welcome however, as others have already commented, the relevant sections in this report are too narrowly focused on education for the markets and not the wider context or purpose of education itself. The arguments are well rehearsed, we want to create well-rounded individuals who are able to contribute in society, not only economically but socially, culturally and emotionally. So-called soft skills will cover some of this but the need for creativity and lifelong learning I would argue are equally critical if young people growing into adulthood are able to adapt to the changes and challenges that will invariably come up as they grow in the wider context of our small Island community.” Even if we are looking at this from the very narrow perspective of hard-nosed economics for job ready graduates to remain employable or entrepreneurial in an increasingly complex and unpredictable marketplace, creativity and lifelong learning will be key assets when it comes to the needs of innovation, reskilling and ongoing professional training in the future. I think the point has to be made that none of us knows what is around the corner in our own lives or in the wider economic context and therefore it is important that youngsters who will be going into adulthood are able to retrain themselves both intellectually, academically, but also for the skills which include the workplace. So I do make this amendment and I will be happy to answer any questions or sum up consequently.

**The Deputy Bailiff:**

Thank you, Deputy. Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment? Deputy Bryans.

**6.13.2 Deputy R.G. Bryans:**

Just once again to reiterate what I said ... I know the Deputy was out of the Chamber at the time, out of the Assembly attending a funeral, as with Deputy Doublet I am very pleased that Deputy Tadier has brought this amendment because I think the 2 words he has identified, and I think he uses a word in there again, this sort of realignment or recalibration is absolutely right. The word “creativity” is something very close to my heart and the notion of lifelong learning is very much part of what education is attempting to do with its 1,001 Days, going right down to the notion of conception all the way through to the point when people really do not feel they want education any more, which in most places does not happen until the point they die, so I fully support this amendment. Thank you.

**The Deputy Bailiff:**

Does any other Member wish to speak on the amendment? I call upon Deputy Tadier to reply.

**6.13.3 Deputy M. Tadier:**

I thank the Minister for his comments. I do not think there is anything I need to add from the first speech and I ask for the appel.

**The Deputy Bailiff:**

The appel is called for. Members are invited to return to their seats and I ask the Greffier to open the voting.

<b>POUR: 30</b>		<b>CONTRE:</b>		<b>ABSTAIN:</b>
Senator P.F. Routier				

Senator I.J. Gorst				
Senator A.K.F. Green				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of Grouville				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy E.J. Noel (L)				
Deputy J.M. Maçon (S)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy S.Y. Mézec (H)				
Deputy A.D. Lewis (H)				
Deputy S.M. Wickenden (H)				
Deputy S.M. Bree (C)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				

If Members have had the opportunity to cast their votes, I ask the Greffier to close the voting and announce that the amendment is passed: 30 pour, no votes against and no abstentions. [INSERT VOTE TABLE]

**6.14 Draft Strategic Plan 2015 – 2018 (P.27/2015): fourteenth amendment (P.27/2015 Amd. (14))**

**The Deputy Bailiff:**

It may now be convenient if we move to your next amendment, Deputy, that is amendment number 14. I ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

After the words “in the attached Appendix” insert the words “, except that in the chart on page 10 of the draft Plan in row 2.1 in the second bullet point in the column headed “Key Areas of Focus 2015-2018”, before the words “economic needs” insert the words “social, environmental and”.

**The Deputy Bailiff:**

I understand this amendment is accepted as well, Chief Minister, is it?

**Senator I.J. Gorst:**

That is correct, Sir.

#### **6.14.1 Deputy M. Tadier:**

Thank you. I will just start off with a quote from Martin Luther King Junior, which is in the report: "The function of education is to teach one to think intensively and to think critically. Intelligence plus character, that is the goal of true education." This in many ways is a consequential amendment. It goes hand-in-hand with the first amendment which we have just passed a moment ago. Essentially I was quite disturbed when I read on page 10 under 2.1 as it was: "Ensure that Jersey's education system is aligned to and supports the Island's economic needs." That might seem quite - what is the word - benign when one first reads it but it seems relatively insidious to me if it is taken only as being quite narrow because, as we have just agreed, the education system is so much more about simply supporting the Island's economic needs and being aligned to it could send a wrong or possibly even dangerous message. So I decided that it would be preferable to insert the word "social" and "environmental". In social I also mean cultural, I take those things to be very much seen together. Very much the question I think we should be asking is are people there to serve the economy or is the economy there to serve people? Do we work to live or do we live to work? Similarly, is the education system there to churn out compliant robots for the workplace or does it have a higher intrinsic function? I would certainly say that the latter is true. As it was suggested in the opening quote, education is about fostering inquiring minds, critical thinking and well-rounded, responsible, caring individuals who can contribute to the wider community in a meaningful way socially and culturally. There is also a problem if the main sole focus is on education to support the Island's economic needs. Namely how do we know at any given point what those economic needs will be? Things do change and can change pretty quickly. We know really Jersey's success in the past has been that its populace has been able to adapt very quickly to changing circumstances, whether they be geo-political circumstances, economic circumstances, whatever they might be and that is why we have had numerous different industries due to the industrious nature of our locals and also those who come to our Islands to work and contribute culturally as well. So it is important that we have, in the future, individuals coming through our education system who are also equally prepared for the challenges that the future will bring. The best we can hope to do then is to train up multi-skilled, adaptable individuals with a wide range of interests as well as particular vocational skills so that they are well prepared for the ups and downs of life. I have added the words "also environmental" as well as social because community service, caring for the local and global environment, being a responsible world and Island citizens are things that need to be fostered and encouraged from a young age through our education system. Of course the system does need to prepare young people for the real world and working, earning money, is part of that. But at the end of the day we work to live and we do not live to work. It is musicians, artists, sportsmen - if you come up to the Island Games - women, charity workers ... sportsmen and women that should be not sportsmen and then women as a separate group. Charity workers, carers, naturalists, all of these people play an important role in our society. It is difficult to put a remunerative value on those because that is not how the world works. But without them our Island would be much poorer, even though, as I have said, their contribution, whether they are from the Island or not, does not come under the bottom line on an accounts sheet. As such I hope that this amendment can be supported widely, it simply seems to recalibrate the focus, to see the bigger picture without denying the need for work-based skills, vocational training to form an integral part of the curriculum. I propose the amendment.

#### **The Deputy Bailiff:**

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?  
Deputy Southern.

#### **6.14.2 Deputy G.P. Southern:**

Just briefly to remind Members that I do not think that we can ever have an expression that says: “Education is just about skills”, it is so much more wider than that and must be if we are to do the best service that we can to our young people as they grow up. Education must be as wide as possible.

**The Deputy Bailiff:**

Does any other Member wish to speak? If no other Member wishes to speak, I call on Deputy Tadier to reply.

**6.14.3 Deputy M. Tadier:**

I thank my party colleague for his contribution. I take from the lack of other speeches that I think the membership is largely in agreement with what has been said and I ask for the vote to be taken, the appel.

**The Deputy Bailiff:**

The appel is called for. I invite Members to return to their seats. I ask the Greffier to open the voting.

<b>POUR: 32</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier				
Senator I.J. Gorst				
Senator A.K.F. Green				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of Grouville				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy S.Y. Mézec (H)				
Deputy A.D. Lewis (H)				
Deputy L.M.C. Doublet (S)				
Deputy S.M. Wickenden (H)				
Deputy S.M. Bree (C)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				

If the Members have had the opportunity to cast their vote, I ask the Greffier to close the voting and I can announce the amendment has been adopted: 32 votes pour, no vote contre, no abstentions. [INSERT VOTE TABLE]

## **6.15 Draft Strategic Plan 2015 – 2018 (P.27/2015): second amendment (P.27/2015 Amd. (2))**

### **The Deputy Bailiff:**

We now come to the amendment lodged by Deputy Southern, it is the second amendment to the Strategic Plan, and I ask the Greffier to read the amendment.

### **The Deputy Greffier of the States:**

After the words “as set out in the attached Appendix” insert the words “, except that pages 11 and 12 shall be substituted by the Appendix attached to the report accompanying this amendment.”

### **The Deputy Bailiff:**

My understanding, Chief Minister, is that the Council of Ministers do not accept this amendment. Deputy Southern.

### **6.15.1 Deputy G.P. Southern:**

Yes, and on that point I do so agree that it is about time that we had a debate about this particular Strategic Plan. The first question I will set, I will pose, is that what is a strategic plan for? It seems to me a bit of a cliché but it is surely the compass by which this ship of state sets its course. It gives a direction. This is the way we are going. If one looks at Strategic Plans over the years, 2005, 2006, lots of them in those days, 2009, then the most recent until now, 2012, one sees in each and every one of them a common theme. That common theme is we are going to grow the economy. Time and time again we will see that that particular direction was a mis-direction because the economy did not grow. If Members need evidence of that then if they turn to page 3 of my report they will see the graph adapted from the F.P.P. about the Medium-Term Financial Plan 2015, which shows growth of the economic or the G.V.A. across the years from 1999 to 2015.

[14:30]

Members will see that far from growing - it has had occasional surges - it is shrinking in that particular graph. So growth is a very, very difficult thing to achieve. The Council of Ministers after Council of Ministers has attempted it and in business plans, annual business plans previously, and singularly failed. Growing the Jersey economy is not an easy task. Yet we are told we are completely dependent on growing productivity and growing the economy. If we doubt that, just take a look at our vision contained in 2012. Our vision says: “Inspiring confidence in Jersey’s future through a strong sustainable economy.” Just pay attention to this particular little sentence, 2 sentences for a minute: “A strong and sustainable economy generates economic growth that raises the standard of living and creates new and rewarding jobs for local people.” Listen carefully: “It allows tax rates to remain low and generates enough income to fund high quality public services and investment for our infrastructure.” It allows rates to remain low and generates enough income to fund high quality public services. I would ask Members to turn to the document that we received about the Strategic Plan which was called *Resources Statement for the Draft Strategic Plan* only the other week, and examine that particular block graph. To ask themselves: “Does maintaining the tax structure as we have got it produce enough revenue to maintain proper public services?” The answer must be no, because what we have got on this particular block graph is £60 million of reductions in posts in the public sector. We have got proposed benefit savings and changes and user pays charges, £35 million. We have got another £35 million for a proposed health charge. I ask Members, is this, this plan, covering that? Is it doing the job that is defined for it by what a

strong economy should be doing? The answer must - and I think Members must agree - surely be no. As we set direction now surely now is the time to examine the system that we are setting up and say: "Can we make this work?" I think the answer is no. Now, it is remarkable that the previous 2012 Strategic Plan had 7 targets, 7 priorities and ours is reduced down to 4 and a bit, I think there are 5 there. Let us examine some of those targets previously honed-in on. First of all get people into work. That was the mantra in 2012, jobs, jobs, jobs. That failed. The actively seeking work figure is still over 1,600 people. We did not get people into jobs. Enough. House our community? Again, that was the priority. Again that failed. We have got still over 1,000 people on high priority social housing waiting lists. That is 1,000 people not properly housed. Managed population growth and immigration. Again this Council of Ministers, previous Council of Ministers, failed to bring a permanent policy to the House, we are making do with an interim policy. Promote family values, and here I consider they also failed because they failed to support Reform Jersey policy for 6 months' maternity leave paid from contributions. Reform the health and social services, that indeed is work in progress and is ongoing as we speak. To reform government and public service. Again the major reforms, the major changes have not been agreed with public sector workers representatives. Then finally, achieve sustainable long-term planning. Once again this spectacularly failed. We have got £125 million shortfall in our spending plans. It looks like very few ways out of them. So there are 2 things, I think, one, all Strategic Plans talk about economic growth, all so far, and the annual business plans before them have singularly failed to deliver that growth. That growth is the single thing on which this whole plan depends. Without the growth, the whole thing will not work. So my question today is where is the vision? Because if the vision is only economic growth then I am afraid that vision is not adequate. If Members will turn to page 7 of my report and the block structure that I propose, I wish to take Members briefly through that vision because this indeed is an alternative vision to that produced by the Council of Ministers. The shared vision starts with a more equal society. We know we are a very unequal society after all we invite into our Island high net worth individuals who pay £125K and then 1 per cent tax. So the very richest paying 1 per cent tax on their earnings while the rest of us pay 20 per cent. Why would we want a more equal society? Because research shows that more equal societies, whether they are rich societies or poor societies are better societies. Their people are healthier, their education is better, their social inclusion is better, the crime rates go down. More equal societies benefit everybody in society not just a few. That is the reality and that is why we have that vision. So how might that transfer into actions? Let us have a look. Key areas of focus then following on from that more equal society - please, let us do it - target the reduction of numbers, especially children, below the relative income threshold. There is an active, doable target. You can measure it over 3, 4 years, you can measure it. This is where we start, this is where we end. That would be a laudable aim. A laudable vision. Ensure accessible and affordable primary health care services. Indeed, absolutely essential and there is that emphasis on it, but at this time of speaking we do not know whether the health costs, the health charge, will be a tax, will be evenly distributed, or will be a charge at the point of delivery. If it is, then I would argue and, indeed, last week the Treasurer himself argued that he would not want to see that. That is not a way forward but we are not clear on that for the moment. Then: reduce educational inequalities both in funding and in outcomes. Here I am talking about there is a skew in our funding of the colleges, fee-paying schools, as distinct from the state schools, the non fee-paying schools. We have heard some rumours that that might be addressed in the next 3 or 4 years. I am saying let us address it, let us make it clear about it, let us be honest about it and let us put it in our priorities. Next one down, 3.2: limit population growth. Now, I think, and I have mentioned it this morning, this is absolutely vital. If I can just read from a different bit of that *Jersey into the Millennium*, which I remember walking into in my early days, at 15.5 on page 12 it says: "The relationship between population, infrastructure development, service provision and increased pressure on the Island's environment has been well recognised over very many years and surfaced with great

regularity in virtually all the deliberative processes feeding into this strategy. Economic development must not be at the expense of negative social and environmental consequences.” Now, we heard this morning from my own good Constable that we did not have to worry about population because what we could have is managed population growth, managed migration, and that was okay. Can we? Has any Government, has any Minister ever exhibited control managing properly the growth of migration? If Members turn to page 4 of my report, they will see clearly a demonstration of what happens under managed growth because we have been attempting managed growth for the last decade and a half and we have singularly failed. If Members look at the graph, you can see a peak of 1,400 inward migrants - not population growth; that comes on top - in the boom year of 2007. But even in the recession years that followed we have seen in 2008, 1,100, 500, 700, 600, 500, significant growth year on year. The fact is we can talk about managing migration. The answer is we cannot. Even in times of recession when traditionally we have lost jobs, we have lost places, we have lost people, that has not happened. It is still not happening. That is the reality. So beware ignoring population growth, migration growth. So the action we need to take ... and it must be a priority. This is why it is second on my list, a fairer society first and set and maintain sustainable inward migration cap. We have to bite this bullet. We cannot ignore it anymore, I do not believe. 3.3, now here we get into some of the measures that we need to make a more equal society: adoption of a Living Wage across all sectors. We know that the Minimum Wage that we currently have creates in-work poverty. It creates a dependent society because people cannot live in Jersey society with rents where they are without the assistance of the state, and that is a tremendous amount of money. We are talking about between £60 million and £90 million a year going on income support. I ask you, given the fact that you are just about to start on a fresh 4 years, do you want to make some attempt to address that? One of the ways of doing it is to adopt the Living Wage across all sectors. By that, I do not mean compulsorily. I am talking about finding the barriers and encouraging that sort of move, so identify and address barriers and incentives to the adoption of the Living Wage across sectors. That is what we should be doing. Now, that again is, I would say, an exciting vision. We know we are getting the reports on the Living Wage out on 11th May and here we are, just a few days before, discussing it without putting it into our strategic planning. I think we should be because otherwise we will probably not see it. It will get quietly buried.

[14:45]

Accuse me, as some do, of cynicism; I think that is merely pragmatism. Now, 3.4, given that the system you have clearly - back to that block chart - does not meet your needs and you need to slash posts and you need to introduce little extra taxes, you need, it says here, to start reducing benefits to the very worst off in our society in some way or form. We do not know what shape that is going to be, but nonetheless it is one of the options. Now, that is not a more equal society. That is a less equal society and that I do not believe is a direction we should be going in. So, introduction of a progressive tax structure because the tax structure you have, with a single 20 per cent rate, does not meet your needs. It is not sound and it is not sustainable. So, we need to take a look at progressive measures. Social security contribution thresholds and rates need to be examined. Do we need to increase that particular area? Do we have to look at those thresholds? Because the recognition that over something like £48,000 people in employment pay not one penny extra for their social security contributions means that they pay in comparison relatively less than most of the rest of us. We are paying our 6 per cent and they are not. They are paying 1 per cent, 2 per cent, perhaps ½ a per cent on their earnings. Now, that is not fair and it is not right and we could address it. Or, and perhaps - do not know which - you will take a look, you should take a look if you have this 4-year space, to examine the possibility of a higher rate of tax, research it and possibly introduce it. Now, for example, there ... and it is the simplest one. I have just met these figures. They have only come out in the last month, is that a 5 per cent increase for those earning more than £100,000 would result in

something of the order of £46 million of additional revenue. To say we can ignore that and pretend that everything is all right, this white elephant that is this single tax rate which we are depending on, low tax, low spend economy, to say that is still dependable I do not think is true. Again, what we should be doing ... and why is the tax take not sufficient to meet our needs? Well, one of the reasons is because of the abuse of zero-hours contracts. You go along for a job nowadays, and we have seen it in the last year, half the new jobs created were zero-hours contracts. Were they appropriate? Were they all in shops? Were they all in areas that it was appropriate to use? I do not believe they were. There is exploitation of it. The job you get offered is zero-hours. You may find that you work regular hours, 9.00 a.m. to 5.00 p.m., 5 days a week, and you can do that for 18 months and still see no sign of a contract. Now, I am saying we should regulate. We should stop that abuse of zero-hours contracts. Again, we have the report coming up in the next 10 days, 11 days, and yet here we are and we do not want to put it into our next plan. I think that is inappropriate. So, the overall thing is end of exploitative abuse of zero-hours contracts and you do that by policing it properly. Jersey does this time and time again. It does not police its rules. It makes a rule, does not police it. If you do not get a contract from your employer and you are doing regular hours and you are given a zero-hours contract, you can complain to your employer and you can take it to the tribunal and say: "You are breaking the Employment Law 2003." But who takes you as an individual, you the employee, to challenge your employer and take them to court? The likelihood is somewhere along the process he is going to sack you and take the £2,000 fine, but you do not have a job. Where is the policing? Where is the enforcement? We have an employment protection law which does not protect people extremely well. So we must improve and police employment protection legislation, give our workers some support. 3.6: and here is a safe one: even within the population scenario - and we must be controlling population - expansion of eCommerce and business is perfectly acceptable, not a highly manned in terms of bodies area. 3.7: and again here is another mantra that we have heard trotted out time and time again over the years in this House. We control prices by competition. Uh-uh, no, you do not. You try and control prices by competition but in a small Island prices go up. Competition does not work. Small Island economy, small economies, it simply does not work. There are not half a dozen companies doing your electric. There are not half a dozen companies doing your gas. We have just seen what happened to gas prices. What happens to electric prices when they go up? They go up. No control whatsoever. J.C.R.A. (Jersey Competition Regulatory Authority), not controlling prices in that way. I believe that not until I brought the proposition for a 5 per cent reduction did we get any reduction in the gas price. I think what we have to do is change direction. Again, it is that direction. Change direction and say: "No, in a small community, in a small society, we need to regulate to control prices." That is the reality. That is what the theory says. I would argue that we should investigate controlling rents properly and certainly controlling utility tariffs as a result. I think that is a way forward, a different direction but I believe a better direction. Of course, Jersey must have sustainable public policies. What does that mean? Summing up in 3.8, we have to - because the old model is broken - adjust tax rates to maintain adequate public services. I do not believe that what we are presented with in this Strategic Plan will turn out to be adequate public services. I think the level of cuts ... and we are talking about not 2 per cent this time. We are not talking about 2 per cent reductions; we are talking about something of the order of 17 per cent reductions. That is massive in terms of what we can and cannot do for our people. I do not believe those public services are going to end up as adequate 3 years down the line, which is why I have brought this proposition to give it some vision for a fairer society, and I think we can achieve it. We can take some of these steps along the way to doing it and not be continually absolutely solely focused on the bottom line, on growing the economy. Why? Because the evidence that I have, and I believe everyone in this House has, is that growing the economy has been the mantra time and time and time and time and time and time and time again, and it is yet to happen. Yet we have a plan that it is absolutely crucial the economy grows because otherwise we cannot supply our public



services. Now, I think that is not a proposition that I can vote for. The amended version gives, I think, everybody a greater vision and I believe a greater hope that we can change direction and create a better society. That is why I have brought this amendment. I urge Members to support it.

**The Deputy Bailiff:**

Deputy, is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment? Senator.

**6.15.2 Senator L.J. Farnham:**

A more equal society is what we are creating. It is right at the heart of this Strategic Plan. While I commend Deputy Southern because he does do the work and a lot of work has gone into this plan, although I am about to disagree with the majority of it, I do recognise that work and his passion for his view on the approach. The challenge is to ensure we deliver productivity, among other things, and there is a very big challenge in doing that. But that is not to say that the Council of Ministers dismisses all the parts of the Deputy's proposition and plan. For example, reform of primary care, better educational outcomes, managing immigration, reviewing the Living Wage, reviewing the sustainability of social security funds are all included in the Council of Ministers' plans. However, in its entirety the plan is detrimental to Jersey's interests by focusing too much on regulation and price control and wage control and higher taxes. That is absolutely the wrong way to go about growing the economy and that is not fair. That creates divides. It also removes many important elements of the Council of Ministers' plan in securing financial services, improving retail tourism and the rural economy, and developing the necessary skills to achieve that. Now, economic priority is an important part of the Strategic Plan and some of the desired outcomes I am going to share with the Assembly now. They are in the plan. We want an increased focus on new, high potential growth sectors, to develop a plan to promote additional jobs and growth in the technology sector with a particular focus on FinTech. I know my colleague Senator Ozouf is going to touch on these areas a little later in the debate on this amendment. Productivity-led growth across all Jersey's economic sectors: we want to promote higher productivity in all economic strategies, including tourism, which is happening, retail and the rural economy. A new rural economy strategy with higher productivity at its heart is currently being developed. Jersey supports innovation and enterprise and inward investment across all sectors and that will enhance Jersey's reputation with its targeted audiences. We are developing a new and challenging enterprise strategy and we are going to develop a new innovation strategy to build on the success of the Innovation Fund. We want a skilled workforce, and I refer to the Chief Minister's comments on the very good work that the Minister for Education, Sport and Culture is undertaking. We need to make sure that skilled workforce is aligned to the needs of our productivity-led economic growth. The skills strategy is being reviewed and upgraded and secure migration is required that is targeted and that delivers the greatest economic and social gain. All working-age people should fulfil their potential in rewarding employment. We need to identify and address the barriers to work for those key groups, including those wanting to work beyond retirement age, and looking after the long-term sick. I will not talk about competition; my colleague Senator Ozouf I know wants to address that. More importantly, we have to ensure that we have sustainable public finances and low inflation, so we will be developing a new fiscal policy framework to look at ways to promote financial stability. This Strategic Plan balances stimulating the economic well-being of the Island with the well-being of its citizens and the provision of funding for the key public services, especially of education and health. No one will argue that as a society we should have an education and health system that protects and provides residents with high quality public services. However, the costs of doing so are increasing in many ways beyond our direct control; for example, the ageing population, the cost of drugs, and the ability of medicines and techniques to cure more diseases as they become widely available.

[15:00]

Through public sector reform we are looking at how these services can be delivered in the most cost-effective manner, but it is the economy that will fund the unavoidable cost that must be incurred to deliver the services that residents and many Members of this Assembly demand and deserve. That is why we must maximise economic growth, maximise productivity, maximise employment and maximise income without increasing taxes. Quite often, for those Members that have been in business, it is quite well known that if you put prices up too much your business goes down. It is for those reasons that we need economic growth. This is not the end game. It is the means by which the end that we have to pay for in health and education will be affordable. We are not driving a growth and productivity agenda for the sake of it. Rather, we are doing so to complete the circle of cost and revenue that is at the heart of a very successful future for Jersey. Accordingly, the Council of Ministers ask that this amendment is rejected.

**Deputy A.D. Lewis:**

Could I have a point of order?

**The Deputy Bailiff:**

Yes, Deputy.

**Deputy A.D. Lewis:**

The amendment that Deputy Southern has presented has its amendments. Are we able to select each of the amendments or is it one amendment and only one amendment?

**The Deputy Bailiff:**

No, Deputy, this is a single amendment which would effectively replace 2 pages in the Council of Ministers' Strategic Plan with the 2 pages in the amendment.

**Deputy A.D. Lewis:**

So you adopt the whole of the appendix?

**The Deputy Bailiff:**

It will either be adopting the whole of the appendix or rejecting the whole of the appendix.

**Deputy A.D. Lewis:**

Even though there are elements that I am sure many Members would accept? Okay, thank you.

**The Deputy Bailiff:**

That is the way the amendment works.

**Deputy G.P. Southern:**

As a point of order, if they wanted to adopt some of the bits, they would need to do their own amendment, would they not?

**The Deputy Bailiff:**

Indeed, there would need to be an amendment to the amendment, which, of course, now ... so does any other Member wish to speak on these amendments? Deputy Tadier.

**6.15.3 Deputy M. Tadier:**

Senator Ozouf will go after me and then we have one more if needs be. Interestingly, I was away just before lunch but I thought that the Environmental Scrutiny Panel had just spoken and had their amendments adopted, probably unanimously, I guess. Am I correct in that thinking? I also thought

that one of the amendments that was put forward was to change the word “maximise” economic growth to “optimise” economic growth. Is that also correct? Because Senator Farnham seems to be still going on about maximising economic growth. That is the mantra to which he and the Council of Ministers are espoused, yet there was a reason that we put in optimise rather than maximise. It is because they are not the same thing. In fact, there is a lack of green thought in this Assembly and I hope to bring something to the table in that regard, being on the perhaps green wing of the Reform Party. Economic growth in itself is at best problematic. That is the reason our panel put in “optimise” is because economic growth and sustainability are probably mutually exclusive. When we talk about optimal economic growth we are really looking at steady state economies and that is something which has failed to be grasped by successive Administrations, not just in Jersey but throughout the so-called civilised world. Essentially, what we have here is the same old mechanism, which is a pyramid scheme, a Ponzi scheme, whatever you want to call it, which is based on growing the economy with lots of additional euphemistic expressions such as increased productivity, which means bring more people in; therefore, we can get more money sent to the top of the pyramid so that this scheme can always be working. Because, as you know, with any pyramid scheme, as long as you are towards the top of the pyramid you are okay. It is the people at the bottom of the pyramid who are the ones who are gullible enough to do all the work and to be exploited. That is essentially what we are talking about when we are looking at increasing productivity. Do more with less: that is a great euphemism, is it not, which is used to the poor, of course. We want you to do more with less but we will be quite all right. We can continue at the top of the pyramid being as profligate as we like. The public sector today have been given letters talking about voluntary redundancy and compulsory redundancy. We know those, however, at the top of the pyramid, who I think include the Law Officers - the Crown Officers - have been told that they will have an increase in the budget for their spend, and those figures will be interesting to analyse. There is a clear choice here. We can either go with the amended version of pages 11 and 12 or we can go with the Council of Ministers’ preferred version which they put forward in their proposal. Many Members would have come to the Assembly today simply thinking: “Of course I am going to support the Council of Ministers wholeheartedly. That is what I was elected to do.” Even though supposedly we do not have a party system in Jersey, they will come into the Assembly looking at their watches, thinking: “Why are we even having debates on some of these? I just want to get back to my respective Parish so I can do the great deal of constituency work” which I know we all have to do. But this is probably one of the only times that we get to debate the high-level issues and I want to hear the answers from the Council of Ministers when they talk about things, and let us analyse their vision of things. Our ambition, Senator Farnham’s ambition and the rest of the Council of Ministers: Jersey achieves sustained ... that is the first thing, sustained; we stop there. It is not even sustainable; it is sustained. So we want sustained, continual, for ever. Productivity led, what does that mean? Economic growth, that is problematic. You cannot keep on having economic growth fuelled by bringing more people into the Island, putting extra pressure on our infrastructure, on our housing, when we cannot even build enough housing. Even if we were building houses constantly for the next 10 years we still would not even satisfy the current demand, let alone that which we are bringing in. Providing rewarding job opportunities: half of the jobs created last year out of the 2,000, more than half, were zero-hours contracts. Rising living standards across society: who does this Council of Ministers think it is trying to kid? It gets even better: “We are focusing on this priority. Jersey has enjoyed the benefits of a high-performing economy for many years.” Well, some have. Most, indeed many, have not, many of the ones that I come across on a daily basis with constituency works. “Thanks to this success Islanders enjoy a good quality of life, low taxes and access to rewarding employment opportunities while the Government has been able to fund high-quality public services and infrastructure and build substantial financial reserves.” Okay, now the reality check. Let us reword that, shall we? Thanks to this, Islanders are finding themselves increasingly on zero-hours

contracts, on or around the Minimum Wage, far off receiving a Living Wage for their endeavours, finding themselves increasingly dependent on income support, even though they are working 40 to 45 to 50 hours a week. They are finding that they are having to work through their lunch breaks, that they are having to work later in the evening for no pay, that they are not getting paid for doing bank holidays, and anyway they are not even given certain bank holidays because this Assembly decides that every so often certain bank holidays can be waived when it suits us. Low taxes are becoming higher taxes. We are seeing indirect taxation. We have a Government which is talking about toilet taxes and we have a Government which is talking about increasing user-pays charges for the hospital, even though we have a public who know that if they want to see a doctor they have to pay for it, £30 to £40, which often they cannot afford to do in the first place. But if they do, we will still give them free prescriptions because that is the deal we did quite a while back to get one of our boys elected. The Government has been able to fund these high-quality public services and infrastructure, including housing which you have been living in if you are a social tenant, and you will have noticed that it would not have been repaired for quite a long time. It will have fallen into disrepair and only now, when we finally decide to address the issue, we will do it by putting your rents up to 90 per cent of the market rate, a market which we have no control over incidentally and which we are increasing the demand on because we want to bring more people to this Island to work in those low-paid jobs. So, for ever you are in your downward cycle of despair while the pyramid gets even bigger and those at the top are given tax advantages, paying only 1 per cent when they are enticed to the Island when everybody else is expected to pay a flat rate of up to 20 per cent, or 27 per cent if you are on the marginal rate because your disposable income is charged at 27 per cent when the most wealthy in our society, their disposable income is charged at 20 per cent. So you are paying ... the Senator will be able to speak, but that is the reality of it. Oh yes, 26, that is another one, is it not? We remember when free prescriptions were brought in just before the election so that one of the Ministers could wave a piece of paper in the air after 6 years of doing very little and say: "But I got you free prescription charges." Now we are looking to take those away, of course. We heard from the Minister for Treasury and Resources this morning that the 26 per cent marginal rate ... again which was brought in as a piece of paper for one particular Minister to say: "Look what I have done, I have reduced your marginal rate by 1 per cent tax" in an election year. We have been told this morning that may have to be reviewed and go back up to 27 per cent. Of course, he is in now for another 3 years. We fooled the middle classes into getting these Council of Ministers elected again and business goes on as usual. The difference is this time we have a £130 million deficit, a black hole which was created by the previous Administration against the advice of eminent economists who have said: "Look, I can help you. You have to change and restructure your Island's economy. The old low tax/low spend economy model is broken. You need to start doing something completely different." In their arrogance, they said: "No, we are just going to keep on going as we see fit" and we have got into this current situation where the most vulnerable in our society will see their quality of life go down.

**Senator I.J. Gorst:**

I wonder if the Deputy would give way.

**Deputy M. Tadier:**

If it is a point of order; if it is not ...

**Senator I.J. Gorst:**

No, it is not.

**Deputy M. Tadier:**

The Chief Minister has not spoken. The remarkable thing is this kind of speech may entice some of the Council of Ministers into making their own speeches and we can make this into a proper

debating chamber again like it used to be in the good old days, and maybe even some of the acolytes sitting in these benches would also feel the need to get up and speak so that their electorate, if they ever have to face a contested election again, might know what their points of view are when it comes to this Assembly.

**Deputy G.P. Southern:**

I call him my chief stirrer.

**Deputy M. Tadier:**

So, productivity, as if this is going to solve all our problems, we need to learn how to do more with less but environmentally we need to be consuming less. We need to be creating a kind of environment ... and the reason I brought the education amendments to focus on the social and cultural and environmental were not just for the sake of it, because if those 3 themes do not run through the rest of our Strategic Plan it is meaningless. We are just putting certain words in there to tick boxes. But when it comes to the fundamentals of it about how we run our society, what kind of vision we have for our society and whether that is based on fairness or whether it is based on elitism and those at the top benefiting the most while the rest of the workers are asked to produce more and more, that is simply not a fair society and not one that I wish to be part of. On page 11 the Council of Ministers talks about managing our resources. They talk about land, people and capital. Well, interestingly enough, we have one of the written questions and it talks about land usage and the risk that when you have a maximised system which is focusing on productivity rather than an optimised system it is not sustainable. We have a very clear, if narrow, example of this on page 18 of written questions. I have asked a question about potato cyst nematodes in the soil and these occur when various things do not happen, like if you do not leave your field to rest fallow, if you do not use crop rotation on it and if you are constantly trying to get a maximum yield out of your potato crop. It can work for a very short period of time, but over numerous iterations what we find and what the stats bear out here is that it is non-sustainable. We have gone from a point in 2002 where most of our potato fields were in category 1, the vast majority in 2 and a few in 3, and 4 was very low, 1 to 4, 1 being the highest, good quality fields, 4 being the low.

[15:15]

We are getting to a point now where next year 56 per cent of our fields in this Island for potatoes will be moderate or high in these P.C.N.s (potato cyst nematodes), which in real terms means that those pests are projecting a yield loss and it says if an alternative, less heavily infested, field is available it should be used. The high ones are saying cropping with potatoes is not advised. The use of nematicides may give an acceptable yield. If we are constantly focusing on productivity - again this is in the context of agriculture - we very quickly get to the point in Jersey, the home of the Jersey Royal, where 56 per cent of our fields next year basically should not be farmed. If they were anywhere else in Europe, we would not be able to export our potatoes because they are of such a bad quality and the soil is of such a bad quality. I believe that that analogy, which is real in this case, can be extended to wider society. If we constantly have a society which is driven on economic need, on a low tax model, which benefits those at the top when we know that the majority of people rely heavily on public services, and when those services are coming under threat, there will be consequences that arise from it. This is why I am quite happy to support a different view because this is the time. If your view is different to that of the Council of Ministers, if you think they have it wrong in several ways, if you think they are too focused on the economy, if you think there are fundamental changes that need to be made, if you agree that a Living Wage is something that needs to be promoted and the many other good things which I will not go into in this amendment for want of brevity, then I would challenge Members to give support to this amendment to show that there is a different way forward and that we do not have to follow on this,

I believe, morally but, perhaps more importantly, economically bankrupt philosophy that is still coming out of this Council of Ministers.

**The Deputy of St. Martin:**

Sorry, could I just correct something that the Deputy said in his last speech?

**The Deputy Bailiff:**

Well, you have not spoken yet in this. It will be open to you to speak.

**6.15.4 Senator P.F.C. Ozouf:**

I was just thinking that Deputy Tadier either should or should not read the book *How to Win Friends and Influence People*, and I was just reflecting and having a look at what some of the key principles of how to win friends and influence people are. While I am not going to give a complete summary of the book, some of the things you are supposed to do apparently is not criticise, you are supposed to get out of a mental rut, you are supposed to give honest appreciation, you are supposed to smile, you are supposed to admit when you are wrong quickly and try to be honestly appreciative of the other person's point of view. So I am going to try and do that in looking at Deputy Southern's and Deputy Tadier's *tour de force*. There is an issue, I have to say, that there are some amendments to the Council of Ministers which the Council would regard as being almost die-in-the-ditches. There are some issues which are so fundamental because, if adopted, the Council of Ministers would then be in a position of having to adopt effectively a plan which would then become the Government's plan. There are some good things in Deputy Southern's amendments. There are the good things Senator Farnham has already spoken about, of reducing effectively child inequality, ensuring a better accessibility for primary health care, incentives, talking about this issue of adoption but not compulsion of the Minimum Wage. There is looking at the zero-hour contracts and whether there is any abuse. I congratulate him warmly on identifying rightly the exciting areas that we have in FinTech and technology and also in relation to identifying the issue of problems with competition. But there are, unfortunately, 3 massive issues. There are 3 fundamental issues which are introduced in this amendment which, even if you like some of it, as I think Deputy Andrew Lewis was saying that one would quite like, there are other things that seek to interpose something which is so fundamentally against what I believe I hope a majority of this Assembly would believe in that means that we simply cannot accept it. The first of that is to effectively promise that you can cap population, that you can issue some sort of cap in migration control as almost something that you can do. Secondly, that progressive taxation is a solution, and thirdly - while I congratulate Deputy Southern on saying we should have sustainable public finances - that it should be done effectively by raising tax rates. Now, those are the fundamental things that are wrong. It is also important, as I said, to give people honest appreciation. Now, Deputy Southern I do not think starts very well by not giving the Council of Ministers or the track record ... and some of this debate is an opportunity of correcting some of the misinterpretation, genuine or otherwise, by the media or other Members about where we are financially in terms of the consequence of this plan and effectively where our public finances are. I would invite Members, if I may, just to look at page 3 of Deputy Southern's amendment and to say do we really think that there has been such a fundamental error in the course of the last 6 years that we require the ripping up of what the Council of Ministers is proposing, which is some more of the same but some new and focused approach? Does the Assembly really think that there has been a failure to get people back to work? Does this Assembly think there has been a failure to do better for housing? Do the States think that there has been a failure completely on population policy, a failure to promote anything to do with family values, a failure, effectively, to reform anything to do with the public sector and a failure because we have £100 million shortfall in tax and revenues? Now, I will deal with that last issue first. The new Minister for Treasury and Resources I

compliment and again express publicly my absolute support for in the way that he is dealing with the challenges that he has found himself with or the challenges, more accurately, that he will find himself with unless we take corrective action in order to rebalance our finances. We do not have a structural deficit, which has been repeated again by the movers of this amendment, of anything like £100 million. Members do not have to believe me to say that. They have to look at the reports of Standard & Poor's that independently assess Jersey and many other jurisdictions around the world on public finances to see what they think of our public finances. They also need to perhaps read the reports of the F.P.P., which do not conclude that there is a structural deficit because we do not know if there is a structural deficit until the economy returns to its normal trend of growth, until the expenditure that is required during a recession of more people out of work normalises and reduces, and one removes from the economic spending and the spending decisions the fiscal stimulus measures that are designed to protect people through the recession. It is at that stage that people, eminent economists such as our chairman Joly Dixon, Professor Allsopp, Dame Kate Barker and Tera Allas, internationally acclaimed economists that know far better than anybody in this Assembly, anybody, about economics, will say that there is a structural deficit. At the heart of this debate is a debate that the Council is asking the States Assembly to have with their eyes wide open. I would say that Deputy Southern almost should be half-complimenting the Council of Ministers because while we are not a Council of Ministers that could be described as a coalition of the Left, Old Labour kind of socialists and running out of money, we are certainly not not a spending Government. We are a Government which wishes to put more into the public services, honestly and responsibly preparing for a future. I say to Members there has been no accident in the inheritance of a position that the current Minister for Treasury and Resources, the previous Minister for Treasury and Resources, the previous Minister for Treasury and Resources to that and former Finance and Economics Presidents had in finding public finances which are in a much stronger position today, yesterday and for the last 20 years than any other jurisdiction. Because there is an important difference in Jersey and what this Assembly has done, which this amendment seeks to undo, is to look into the future horizon and prepare for it, to take the decisions to reform and to invest in public services that we know are going to be required such as health care and education, and to deal with them before it is too late and before it is so late that you then have to start dealing with a desperate situation of a debt spiral and having to borrow for current expenditure. Now, yes, income has not gone up as expected. That is correct and, yes, it is correct to say that income has, by reasons of this Assembly ... which no doubt the mover of the proposition either said was wrong or was in the wrong context and has pretty well condemned virtually every single policy that I have certainly been standing in this Assembly and trying to support in recent years. He would say that it is a failure. Well, if Deputy Southern in his summing-up could find another jurisdiction with 100 per cent of G.D.P. (Gross Domestic Product) in assets, a jurisdiction that has a larger balance of assets not liabilities at the end of the financial crisis than at the beginning, then he perhaps could say why he believes there is justification in saying that there is such a disastrous track record of previous Administrations. There is much in the amendment and in this debate generally that needs correction because there is one thing for sure. I was privileged to go to the funeral of a former Finance President and in a speech that I made to the collection of former Finance Presidents, which spanned over 30 years, I identified things that each one of them did during their term of office which was not popular but which was the foresight and the foundations which got this Assembly at every single time, when it started debating a plan, into a better position. So the current Minister finds himself in the similar position of his predecessors, and that is when you look into the future you realise that you need to do something different. What you need to do on this occasion ... because the economy, if we reject this amendment, is going to grow and it is going to produce more revenue. It is going to be times which are more prosperous. It is going to be a period of time when there can be a tighter and harder clampdown on public expenditure because the people that will not be employed ... and, as the Chief Minister said earlier during this Assembly debate questions, the

higher echelons of the management of the States, which certainly we have an issue with in terms of high expenses, existence of many managers across the public sector, which eCommerce and eGov can deal with, technology can inhibit far more ... it is an inappropriate thing to say, but there is a more polite word, some say chiefs and the workers. We have a situation where modern, flat organisations have chiefs that are well paid and that are accountable and lots of workers doing the front line work that they need to do. What this amendment is seeking to do is to simply take the Island in a completely different course, a course of tax and spend. I agree with the spending bit because that is what this debate is all about. It is about how we are going to find the money for the spend. It is not by progressive taxation, not when you are a small Island and you have to sell yourself on what you can. A low taxation model ... and I invite Deputy Southern to justify why he believes the economic model is so broken. I invite him to not only look at the public finances of Jersey but virtually every other non oil-producing place in the world and compare them. I would invite him to look at the O.B.R. (Office for Budget Responsibility) numbers, which have been independently assessed, which shows that as a proportion of national income and as a proportion of G.D.P. we get more corporation tax in Jersey per person and as a share of our taxation revenue than they do in the United Kingdom. Because of a commitment, which apparently is to be thrown apart by this amendment, on having higher rates of tax, because we are a trusted jurisdiction with a reputation of meaning what we say and being able to deliver what we say, of being trusted to have a 20 per cent rate of income tax, to have a certain 10 per cent corporation tax, having a certainty that we have that corporation tax system which is condemned by the Deputy - which we were told we were going to lose in Europe and we won because we have principles - that we can afford.

[15:30]

Perhaps the Deputy could say why in his amendment he chooses not to say in his amendment that there should be ... because I am now going to invite in my final remarks Members to think about what we will do in agreeing this amendment. **[Interruption]** I favour the setting up of these clocks, you see, to say how long one has been speaking for because I sometimes forget and get a bit excited. I was determined to speak for exactly half the amount of time that Deputy Southern did, so I just was keeping to time. That is why I was looking at it, because he spoke for just over half an hour and I was going to do 15 minutes only, so that is why the button was going there. I am just going to make sure that I keep track. I have to start again and do another 5 minutes but it will still be 15. I would encourage Members to look at page 12 of what is being sought to be thrown into the wastepaper basket. I would ask Members to say whether or not they do not agree with a focus on high potential growth sectors - while he says technology, I say more than technology, particularly FinTech - and why we should not have an economic growth strategy which recognises the importance of the financial services industry. Not a single word of the financial services industry, our most important economic generator, the generator of arguably most of the reasons why we have the success we have today, which is supposed to be in the government plan and Deputy Southern just has no reference to it, not one. Do Members want to do that? Do Members not want to say to the Council of Ministers: "Yes, let us reflect the importance of agriculture, retail and the rural economic parting of the economy and get them into a better state and to be high value"? Let us not anymore regard them as low value and of legacy sectors. Those words have gone. We want to help them to perform at the best level that they can locally and internationally, and Locate Jersey, such a brilliant job of that, and his predecessor supported that strongly, too. Do we not want an economy which supports innovation? We are doing a review. Tera Allas from the F.P.P. is assisting us with that review. Innovation is at the heart of good quality economic growth. Left and Right in the U.K. agree with that, but apparently we do not want anything to do with innovation, we are going to throw that away. We are not going to be charged with changing and developing the enterprise strategy. We are not going to basically build on the success of the Innovation Fund. We are not going to do a new skills strategy. We are not going to do any of the working age barriers to allow a



better and more productive society for elder, senior employees who are able to continue work and add flexibility in the way that they want and the way that they can work in the future. They do not want also - which is another completely red line in the sand for me - to have a competition-led approach. I like the idea of competition. I accept that competition is not always the answer, but neither is regulation and certainly not regulation when we come to the Deputy's example of what he is talking about in this amendment, when he believes that we should simply decide because we apparently know better or he knows better about how to regulate gas prices. Should a parliament be a regulator, knowing the price of gas? Is gas price a problem? Absolutely. Did I need to be told by Deputy Southern that that was a problem? It would have been helpful but I had already started work on it in November. I did not need a proposition before the Assembly to do it. The J.C.R.A. is under way and they are working on it and I agree. If there is a case for asking the J.C.R.A. to regulate, then we will, but regulation costs money and if you can avoid it, you do. Because the only people that pay for regulation are ... first of all, I am afraid, lawyers make a lot of money out of it - Sir, nothing against you because you do not but your industry and your profession do - but who pays for it? Well, it is either the shareholder or consumers. Regulation costs a lot of money and that is why you need to avoid it, and that is the review that we are doing. Finally, I have to say developing a new fiscal framework. That is what is being thrown away in this amendment, the commitment to bring a new fiscal framework. I made an inappropriate request to you for a point of order this morning because earlier, which is totally relevant to this amendment, there was apparently some surprise by Deputy Southern and some consternation among other Members that they are unaware and were unaware of the challenges of being an elected Member during this period of office. Well, I would say to them to reread the reports that were published last July on a long-term tax policy, a fiscal framework and the challenges that would face this Assembly in the future. Fortunately, there were a few diligent Members of this Assembly who I know read those reports and a number of the new welcome arrivals in this Assembly - who I do not believe are acolytes, by the way; that is not the way to win friends and influence people - I believe read them. I believe that they have stood for election knowing that this would be a challenging period where we would have to find money for health, where we would have to rebalance our finances again because of a changed and competitive world. I believe that throwing out the commitment for a new fiscal framework, which is correct and appropriate for our times, is not the right thing to do. Deputy Southern's amendment is not completely without merit, but there are some fundamental issues which would change the direction of what this Assembly in the majority I think want, which is a responsible approach to public finances, which invests in the health service, which tries to find the money from it principally by making savings and economies in government spending, then looking for maximum opportunities for growing economic growth if possible, and then looking for appropriate charges where there is not inappropriate ways of doing so. That is what is planned. That is what this debate is about and that is what Deputy Southern's amendment seeks to completely set aside, and I urge Members to reject it. **[Approbation]**

#### **6.15.5 Deputy J.A. Martin:**

Yes, I will be brief. I do not have my clock and I know that Senator Ozouf went over his. Senator Ozouf makes such a big play that there are some fundamental differences in the 7 points in the Council's Strategic Plan and the Deputy's. Now, again, it is also always down to Members if they want to amend because, as you say, it is a bit of a mash-up here. I do like some. Even they admit they like some, but they have not amended it to include ... because you could go on and on. These are key areas. They agree in the comments they need to get a handle on migration. They call it a handle. Deputy Southern says limited population. Senator Ozouf says we have to carry on doing what we have always done because it has always been right. I do not agree with that. Why are we where we are today? Why can we do less public services than we did 10 years ago with a population of 87,000 when we have 100,000 people out there? There is fundamental politics here, I

understand that, because Deputy Southern thinks raising taxes is the answer. You have just heard the last sentence Senator Ozouf said, raising health charges. Now, sorry, it is coming out of someone's pocket and that someone is out there working and you told them we are going to keep it this way and that way and the other. To me it is fundamental. I absolutely say the Council of Ministers have been absolutely lazy on this amendment. They have said it twice, at the top and the bottom, do not accept this amendment, so it must be right, like you name New York twice. Let us make sure they do not get this through, that Deputy Southern ... it is total philosophy, a different way of looking at things, but I am so torn because there is some I want of Deputy Southern's, some I want of the Council of Ministers, but I do not know whether ... because of the tardiness and the laziness and the admin support the Council have, they have amended every other amendment, or a majority have, or accepted. This one they have gone through, highlighted the good, but they have not amended any of it. Deputy Southern says restrict, I think it is, or limit population limit to what, Senator Ozouf? So if we cannot limit, we all know we cannot control where we have got different things, but if you do not have a figure ... nobody will tell us a figure. That is where Deputy Southern's frustration comes from. That is where my frustration comes from. What am I planning? What are they planning for the schools? What are we planning for the new hospital? What is the population we are planning for? It is all driven by economic growth, and that is what Council of Ministers says and it only mentions the finance industry. Yes, it does give lip service to tourism, retail and rural, but so Deputy Southern's is not in there. But that could have been, as I say, there should have definitely been a mash-up because this is a fundamental part of deciding outcomes of the key areas of focus for 2015 and 2018. I did see Deputy Andrew Lewis absolutely gobsmacked at the figures that Deputy Tadier was saying about farming. These are not made up. This has been said and we are in the environment ... when I asked the Minister for Planning and Environment in Scrutiny what he was going to do about it because there is a problem again, as I said, with nitrates in the water, he is going to do nothing because there is no point. They do not have to because nobody is on the farms. You cannot carry on with soil like we have and expect to have a flourishing rural economy if you are only going to still do the same. The Minister will know that we need to look at how we look at potatoes. When we asked looking at producing local food for local people we were told it would not be affordable because the farmers will not do it. Well, if it is not affordable locally, what is it going to be? Is it going to be soil that is going to be grown? Are we going to really keep on planting potatoes until we cannot sell any more? Or what is the long term? Practically all the environment things have gone through and I sit on that panel. But we give lip service to pay ... you know, as much home grown food for the people who live on this Island but we are quite happy to bring in masses of cardboard, plastic all wrapped-in food that we can produce here. But it just needs to look a little bit further. There is a bit of that in Deputy Southern's, but of course it is a fundamental: "Keep the taxes low, keep the public spending lower" and then where is the balance? But again it does come with a price. I really think that we are going to have sewerage, water, hospital, reintroduction of social security prescriptions. I am not saying I am against any of these, but come on, they are ... you have to be honest, Deputy Southern gives you a way to raise these amounts or look at - it is basically reviews - look at, but it is always hidden from this Council of Ministers. Senator Ozouf has been there since 2005 in one form or another as an Assistant or a Minister and he has been doing the same thing and we were all in St. Paul's last week when we were told by 2019 we have £165 million we have to find. I leave it with that. Carry on doing the same, get the same outcome.

#### **6.15.6 Deputy S.M. Brée of St. Clement:**

Firstly I would like to say I do not agree with everything in this amendment, but it is not a full Strategic Plan. It was never intended to be. It is a set of priorities. Due to the fiscal mismanagement that has gone on over the last 3 to 4 years, perhaps even longer, this Island is facing an unparalleled economic crisis. Irrespective of all the words that you will hear today from

various Ministers, we are facing, unless something is done, a serious economic crisis. What we need is a new vision for the future, not what has been handed to us in the form of the Strategic Plan which is basically a party political manifesto. The world is a rapidly changing place. Since the banking crisis we have seen major, major changes in the structure of the finance industry in the Island. It is still a vitally important industry for the Island. But it would appear that the Council of Ministers is still clinging to an economic model designed in the boom years of the 1980s and 1990s. I am sorry, but New Labour style politics did not work then and it will not work now. We have a responsibility, not only a fiscal responsibility or an economic responsibility, but a social responsibility for the public of the Island of Jersey. Now the argument will be made the way we discharge that responsibility is pure economic growth. Well, I am sorry, I do not agree. We have to ensure that we discharge our social responsibilities as well.

[15:45]

All of us here were voted in by the public of the Island of Jersey. It is time we accepted we have a responsibility for them as well as to the finance industry. We are guardians of this Island and we are guardians of its future. What we need now is a true vision, an understanding that we are going to need to make very, very difficult decisions. Decisions that perhaps will not be popular, but decisions that are needed to be made now in order to protect the public of the Island of Jersey from even further financial hardship. Indeed, perhaps now is the time that the Island needs true leadership. Leaders with a new approach and with a true vision for the future; just not another rehash economic model that we know has failed. It is time for change; we all accept that. It is time for new thinking and a new approach. I believe we all accept that as well. But it is time to rebuild our fundamental economic model, and not to spend what we do not have. I am against user pays charges because effectively all that does is hurt the middle to lower income families. It is indirect taxation. It does not matter whether you want to call it a charge, a contribution or anything else. It is indirect taxation, and when you start to add up direct taxation and the level of indirect taxation - in this I include Social Security contributions - it is the middle to lower income families that are being hurt the worst. So it has come as a great surprise to me that I am going to support this amendment because I think fundamentally we need to rethink what we are doing. We have a huge economic crisis facing us. We cannot just keep spending and we have to look at ways in which we do live in a fairer society where perhaps, yes, the very high-income people make a slightly greater contribution percentagewise. I do not see anything wrong in that. It needs to be done carefully, gradually and sensitively. But it can be done and if we all have the will to make this a fairer society, then we can make it work.

#### **6.15.7 Deputy S.Y. Mézec:**

It is a delight to follow that speech from Deputy Brée which I thought was really, really good. I want to develop on some of the points that he has made. At the beginning of this year the Chief Minister got a nice headline in the *J.E.P.* when he was saying he was going to prioritise reducing poverty throughout this term of office. I would completely endorse anything that had the ultimate aim of reducing poverty, because I think every one of us should be absolutely disgusted at the idea that poverty can exist in one of the richest places in the world. For me personally it goes against everything I believe in to do with justice and solidarity that we could let that happen. But lo and behold, a few weeks later we get our strategic priorities document where reducing poverty is conspicuously absent. I would say that was a surprise, but quite honestly it was not. We found out officially last Tuesday beyond any reasonable doubt that austerity has officially arrived in Jersey despite the numerous warnings that were given to the previous Council of Ministers. Despite extorting more taxation from the poorest in our society through G.S.T. and despite squeezing the middle more with 20 means 20, we still find ourselves in a situation where over £100 million - and Senator Ozouf can spin it however he likes; I understand it must be quite upsetting to be the only

person in the Island who is right and everybody else is wrong on this matter - but the fact is over £100 million is going to be taken out of the economy over the next few years at the same time we are trying to grow it. We have health charges, a toilet tax and compulsory redundancies to look forward to. This economic plan is intellectually bankrupt. I asked earlier in the States today about a Plan B, because I think a Plan B is going to be necessary. When you take money out of people's pockets, you stick workers on the dole, people who will not be paying tax, the plan is doomed to failure. There will end up a point where in a few years' time there will be a re-examination of the forecast and it will not be what it was expected to be and the course will have to change. I say let us change it now instead. The reason I know it will not work is very simply because I pay attention to current affairs. The Government we have in Jersey is a cheap imitation of the United Kingdom's Conservative Party, and their plan to restore public finances is a cheap imitation of the plan which is utterly failing in the United Kingdom; a plan which was meant to have eliminated the deficit by now which has only halved it and in the process has inflicted misery on some of the most vulnerable people up and down the country. Its implementation here in Jersey will be absolutely no different. The purpose of Deputy Southern's amendment is to offer another way, one not based on ideologically driven austerity. It is based on the premise that Jersey will flourish if lower and middle earners are allowed to succeed as well, instead of simply pandering to the rich and hammering the poor. The idea that an economy will succeed if those who spend most of their incomes are squeezed further, if 50 per cent of new jobs created are zero-hours contracts and if we continue to fail to adequately control population growth when we are already struggling to house those who are already here. The idea that the economy will succeed in those circumstances is Tory nonsense. What we need is a fairer and more equal society and there is nothing in what the Council of Ministers have provided us with so far which suggests that that is going to end up anywhere in any form of action that this Government takes. We have seen previously their commitment to the 1,001 Days manifesto or when they have an opportunity to implement a fundamental part of it by offering decent maternity leave provisions they vote against it. They are asking us to do so again in the context of having received a press release last night, further supporting the 1,001 Days manifesto. I mean, you just could not make this sort of stuff up. When you want to create a fairer and more equal society you have to put your money where your mouth is, and at the end of the day this Council of Ministers has shown that it has no interest in doing that whatsoever. I said to a journalist beforehand in an interview that we have a government of the rich for the rich, and that remains my view which is solidified by this Strategic Plan that we have in front of us, and it is why I am absolutely delighted to be backing an amendment that proposes another way where all Jersey people can succeed, not just those at the top. Because the evidence from around the world is showing that it is more equal societies that have stronger economies and we must stop burying our heads in the sand.

#### **6.15.8 Deputy S.J. Pinel:**

I just briefly wish to answer some of Deputy Southern's comments, largely in relation to social security in his amendment and speech. We believe the route to social inclusion lies through maintaining the economic success of the Island. The Strategic Plan clearly shows the connections between our chosen priorities and our shared goal of greater social inclusion; it is on page 15. Income Support provides comprehensive supports with basic living costs for many household groups who are unable to work fulltime. Increasing the Minimum Wage will not help these families. With regard to primary health care, Social Security is already working very closely with the Health Department on the review of the primary healthcare strategy. The key aim of the new strategy is to ensure that vulnerable families have good access to the primary care that they need. The Living Wage ... a thorough review of the impact of the Living Wage in Jersey will be published early in May. Deputy Southern assumes that there is no down side to imposing higher wages on employers, but there is no point in increasing wages for some workers if that comes at the

expense of laying off other workers. Rather than the negative policy of imposing extra restrictions on local businesses, we should be concentrating on the positive policy of creating the economic climate and the skilled workforce that will allow an employer to increase wages as the productivity of their business increases. I also wish to correct Deputy Southern's statements that the unemployment figures are above 1,600 in figures. The figures at the end of March were 1,560; that is 60 lower than in February. Long-term unemployment was the lowest for 4 years. Back-to-work has been extraordinarily successful in tackling unemployment. As mentioned earlier, a thorough review of the Social Security Fund will start later in 2015. Contribution rates and ceilings will be included in that review. With regards zero-hours contracts, an analysis of zero-hours contracts taking information from the Manpower survey is due to be published in the next few days. Something it appears is not generally known: if the worker is working regularly for an employer they are already covered by Jersey Employment legislation even if they have a zero-hours contract. Employment legislation in Jersey aims to protect workers without imposing unnecessary regulation on small employers. Any extension to employment legislation would need to maintain this balance.

#### **6.15.9 The Connétable of St. John:**

Since last Tuesday when the Minister for Treasury and Resources quite correctly revealed a possible deficit of £125 million by 2019, he was merely informing people, as is his duty, of the impending direction the Island would be going if we did nothing about it. But following that there has been a lot of public hysteria and panic by certain people. I would like to try and just put a little damper on it. Simple arithmetic shows that last year States income was up 2 per cent. There are very, very few western economies that can boast that. The problem has been that costs have been going up faster than revenue. To put it into perspective, with near zero inflation it should be easy, I believe, to freeze public expenditure at 2013 levels. If we did that and revenues continued to rise at 2 per cent per year until 2019, then we would have a surplus of £50 million to finance what is needed for this Island towards better health and better education. These are only small adjustments, but I believe that the Council of Ministers should go further by reviewing office accommodation, by reviewing employment numbers within the public sector so that further savings can be made so that further monies can be made available for investment and for social requirements on the Island. I strongly recommend that this amendment is rejected.

#### **6.15.10 Senator A.J.H. Maclean:**

I will not speak for very long. I found that most of what I was going to say was said very ably by the previous speaker. I stood or stand just to make some observations. We have heard some fairly emotive language by recent speakers about unparalleled economic crisis. Clearly that is not the position that Jersey finds itself in. As the previous speaker has so rightly said, we are planning for the future. We are talking about a potential shortfall in revenues, income over revenues, by 2019 and we are talking about investment in key services; health and education that I have mentioned this morning. That is a total £57 million of investment in those key areas; and that is at the very heart of this Strategic Plan. It is planning for the future and it is planning to make important investments where the community most needs them, and that is the right judgment to make. In fact, decisions and planning for the future, the Medium-Term Financial Plan and beyond that, is something that should be at the very heart of all that we do within this Assembly, and certainly within this Government. I am encouraged by what we see, certainly compared to many other jurisdictions, here in Jersey. Many times I have said that we have a strong balance sheet which we do. We have assets of approaching £6 billion. There are not many places that are in that fortunate position. We also are in a very fortunate position of seeing our economy returning to some degree of growth.

[16:00]

Again 2014, 1.6 per cent growth; first growth we have seen since 2008 when the recession started. We are beginning to see unemployment figures still too high, but they are beginning to fall as the Minister for Social Security has just alluded to: 1,400 or so at the current time. But also jobs are being created in the economy and that is encouraging to see. Key industry like financial services during the heat of the recession, if I can put it that way, we saw job numbers falling from a peak of just over 1,300 to around about 1,200 or just below. Over the last 12 or 18 months we have seen jobs being created in financial services - 400 - and we are back up to close to 12,500 jobs in financial services; one of the key drivers of our economy as we continue to diversify that area of the economy both in terms of geography and products. So those are all encouraging signs as to where we are. We are also seeing announced only this week the inflation figures, R.P.I. (Retail Price Index) at the lowest level for a number of years. That means every pound that Islanders have will go further. It is good to see that the cost of food in particular is beginning to come under some pressure. Motoring costs and others are falling as well. We do not have the deficits that the likes of the U.K. have been suffering from, although they have announced good news: £87 billion in terms of an annual deficit is an entirely different kettle of fish on a like-to-like basis than where we are and the £1.4 trillion of debt. I noted that Deputy Mézec talked about, Labour in particular and the mess that he described that the U.K. was in as a result of Conservatives. I assume he was referring to the coalition as well as the LibDems. The position will be significantly worse, I suspect, for the Labour Government in the U.K. as they continue to seek to spend which seems to be at the very heart of the appendix that we see in front of us from Deputy Southern. It is really almost a Reform manifesto and at the very heart of it is tax and spend. I can pick out some of the comments that it makes. Although I agree with other Members there are some good points brought out that do need attention, and I think most of the good points that are contained within the appendix here are matters that are contained and dealt with within the Strategic Plan; certainly are matters that the Council of Ministers views as being quite serious and areas that need to be addressed. We talked, and I know Reform quite often speak, about zero-hour contracts. There is abuse of zero-hour contracts. I have made that comment previously in this Assembly and the abuse of those contracts is something that needs to be addressed. But let us be clear. They have a value as well. They do encourage employment and as such that flexibility for certain industries is valuable. But we have to deal with the difficult areas of abuse. But if we look at what this appendix is really seeking to do, it talks about first of all a structural deficit which is not the case, as I have said. There is a shortfall in terms of income over expenditure projected towards the end of medium-term financial period. That is not a structural deficit unless we do not do something in order to plan to deal with it. In the appendix the text talks about tax revenues being inadequate to meet the demand for public services. Well, our income continues to rise. The issue is not about income. We do need to increase income further; of course we do. That is where the investment in the economy is going to focus all its attention. But we need to get under control expenditure. We have seen expenditure rise disproportionately and we need to make certain that that is brought under control, and that is part of the plan for this Council of Ministers. Planning for the future, ensuring that expenditure is brought properly under control. The appendix that Deputy Southern refers to here does talk about expansion of eCommerce business, and I noted that Deputy Tadier when he was in the Assembly was referring to productivity-led economic growth which of course at the Council of Ministers we talk about. Technology is one way in which productivity is going to be improved and how the economy is going to be boosted. Indeed, how productivity across government is also going to be improved. Technology is at the very heart of those particular aims and objectives and I think we must continue to focus our investment and our time on ensuring that that continues to be the case. I cannot see that what is contained within this Appendix is anything other than extremely dangerous for our economy if adopted. Proposing to increase taxes to pay the public services in the way that this suggests is really not a way forward for a sustainable future for public finances or indeed for the economy or for our Island. To suggest that taxes must rise is not

necessarily the case at all. To suggest taxing higher earners, the wealth creators, in our economy is also something contained within this document which again is missing the point about the competitive nature that we have to balance our taxes and ensure that we attract inward investment and the wealth creators. To tax them out of the market would simply see those valuable additions to the community, to the economy within the Island go somewhere else, other jurisdictions that are clearly falling over themselves to attract such inward investment because they see the value that it brings to their economy. Now is not the time to be seeking to spend and tax as this Appendix seems to suggest and I would encourage Members to reject this proposal as an addition to the Strategic Plan.

#### **6.15.11 Deputy A.D. Lewis:**

As I said when I was calling on a point of order, there are a number of elements in here that other Members have said too that they would support, so it is a shame that maybe the Council of Ministers did not bring forward some of the amendments, or maybe myself and others did not bring amendments forward to support some of the items in the appendix of Deputy Southern's. However key to the debate that is occurring, and I am glad we had a debate about it and I am sure the Reform are glad as well, because it has aired a number of issues that the public are very interested in. I thank people for standing up and saying what they really feel. I think that is important in this Assembly and I am sure that Reform Jersey feel the same. But there is a list there and there is a list of things that I and others would support, but it is difficult to do so based on the things that the Minister for Treasury and Resources has just said and the former Minister for Treasury and Resources said before. But there is a key element on page 2 of the Strategic Plan which I think summarises it rather well, and it is in the forward of the Chief Minister's words. It says: "We will focus on delivering high quality health and social care as society ages; improving educational outcomes; supporting a more productive economy and sustainable population levels; improving St. Helier while protecting our countryside and delivering efficient, funded public services." That is kind of it and this plan does suggest that is what it is going to do. How is it going to do it? Well, economic growth is absolutely key to that. I did cringe a bit when I heard the Deputy behind me, Deputy Mézec, criticising the coalition in the U.K. Now I prefer to think of myself more as a Liberal Democrat than a Tory, but nevertheless I am definitely right of centre. The adoption of the Living Wage is something that I am quite passionate about, albeit it should be a voluntary adoption, because for a long time we have relied on the trickle-down effect and we have been talking a little bit just now about maybe taxing the rich a bit more. What we have to remember is that they are already paying significantly more already, and so they should. In fact there is an item in response to Deputy Mézec's later amendment where it clearly states where the percentage of tax are coming from. In fact we all fall into the fourth category, 19 per cent of the income from income tax comes from that particular tax band. The next one up, the fifth quartile, is talking about 69 per cent of tax revenue coming from that segment, i.e. the wealthy so they are already paying and contributing a significant amount. The thing to remember about very wealthy people is they are the most upwardly mobile people in our society. Unlike the rest of us and many of us here, we cannot just throw everything away and leave Jersey and go somewhere else terribly easily. Those people can and there are lots of countries out there that would welcome them with open arms and say: "Come here. We will charge you no tax at all." If you go somewhere like Nevis, for example, there is no tax at all so we are competing in that environment because there are lots of other reasons for being in Jersey. But I think be careful what you wish for. But just picking up on what Deputy Mézec was saying about the coalition in the U.K., well, they have managed, so far, to become the fastest growing economy in Europe creating more jobs than any other. Unemployment is falling at a rate that confounds economists; an employment ratio of over 73 per cent and up to 1.7 million full-time jobs have been created by economic growth in the U.K. The left-wing view is that government spending cuts make an economy weaker, i.e. fewer public sector workers means less money spent

in the shops, the cafés, the bars. Less demand so more unemployment. In the U.K., the Government saw this differently. Imagine if the problem was not a supply of jobs but a supply of willing workers. If you pay low income workers more, people want to move from welfare into jobs. More young people perhaps anticipating and working in our retail sector and the hospitality sector but when I mean “young people”, I am talking about local, young people. Those sectors have traditionally relied on migrant labour. Now if we can get wages up in that sector, through a voluntary Living Wage probably, those local workers will go into those sectors lessening the need for more immigration and migrant workers. In the U.K., 0.5 million jobs have gone in the public sector but nearly 2 million jobs have been created in the private sector and this is key to it. If you reduce your public sector, you have got a highly skilled trained workforce in the public sector. As difficult as it is for anybody to change, my father was made redundant at the age of 50. It was catastrophic for our family at the time but he worked for a nationalised company and they had to make changes. It was really hard but he found a job in the private sector and we continued as a family and we survived. The economy was changing. Thatcherism was rife. We have not had our dose of Thatcherism in Jersey yet but believe me it is hard. I have seen it. I have been in a family that was affected. Ed Miliband has predicted that one private sector job would be lost for every public sector job leading to 1 million jobs lost in the economy as a whole. He was wrong. Do you remember that? He was wrong. They created 2 million jobs under the coalition in the U.K. so twice as many through economic stimulus. So it is possible to make economic growth really work for us. Jersey had a long tradition of working hard, being innovative, being creative from going back hundreds of years and we survived each time. We are a tiny, tiny economy punching above our weight. We are entrepreneurial in spirit. We are not looking for hand-outs. We are looking for hand-ups and we can do that and we are putting the framework in place here for a Strategic Plan that does that and I firmly believe it does it. But there are elements in Deputy Southern’s proposal that are laudable and we are doing and we should aspire to doing. They are not firmly in the Strategic Plan at the moment. Yes, they probably should be. There is nothing to stop any Member at any time bringing an amendment forward about the policy of the government at any time and I would urge Members to do that so that is all I would say. Sorry, it is a little bit longer than I planned but I was inspired by these other speeches which took all views in this political spectrum, but do look at the U.K. economy as a shining example. If we can do it too, then we will survive really well like that have progressed in the U.K. Thank you.

#### **6.15.12 Deputy M.R. Higgins:**

I apologise to Members in advance again. It is not a prepared speech so I am going to be all over the place. I have listened to many of the speeches this afternoon and I get quite despondent when I hear some of it because so much of it is based on ideology or political dogma rather than straight economics. I must say before I do start that I would like to say that I agree with much of what Deputy Brée said and also most of what Deputy Mézec said, and also what Deputy Lewis has just said. There is a lot that he has said that makes sense and I do not think any of them, with the exception of Deputy Mézec, could be classed a left-winger, a raving sort of left-winger. No, I have not come to yours yet. The point that I am trying to make is that anybody who disagrees with the Council of Ministers is automatically labelled a left-winger so I am surprised that Deputy Lewis has got up and spoken the way he has or Deputy Brée because you are going to find yourselves castigated as being totally wrong and everything you say is totally flawed, whereas I believe the flawed policy is on the other side of the House with the Council of Ministers.

[16:15]

Now the reason why I say I believe their policies are flawed is because much of this is ideology-driven. They are pursuing the policies of austerity when there is no need to pursue austerity policies. Unlike the U.K. - as I keep on telling this - we do not have the debts that the U.K. has, the national



debt. We do not have to reduce the national debt to the levels that they do. We are told repeatedly that we have no borrowing although we do. We have borrowed £20 to £50 million for Andium Homes which is a reflection of the failure of previous Council of Ministers to invest in housing not only in doing the repairs that are necessary but also in building sufficient houses for the people of this Island. It is because it got so bad that they had to borrow the money. It does not fit in well with the low tax, low spend policy because if you really do want to house people, you have got to build new houses. Now if the private sector is not doing it, we have got to do it. Whereas I agreed with the £20 to £50 million loan to Andium so we do get some new houses, just bear in mind it was forced on us because of past failure. So we do not have to follow the austerity policies that have been followed by the U.K. or Europe or even in the United States in the past. We do have the reserves that we talked about. We have got the Strategic Fund. Yes, it gives us a cushion. I am not saying you necessarily use it but we can use it if necessary while we rebalance our economy. Our economy has been based on finance and, yes, the Island has benefited from the finance industry. We know that there are 12,000 jobs that are provided by the industry and that is quite a sizeable part of the workforce. It is equivalent to other sectors. So you cannot automatically dismiss the finance industry and say: "Oh, yes, we will just get rid of it." I do not accept that but the industry is going partially through a bad time. If we look at banking, for example, banking is where the job losses have occurred in the finance industry. Banking is probably not going to get out of the doldrums for some time. Why? Because they depend on interest rates. What Jersey effectively is is a money pot. A money pot for the world. People are investing their deposits in Jersey and that money has been channelled up into the City of London. Well, there have been some major changes taking place. To try and get us out of the mess that we were in because of the financial crisis, interest rates have had to be put to a historically low level of 0.5 per cent. Now anybody who follows the Bank of England's quarterly bulletin or their inflation report and all the other sort of reports they produce will realise that it is highly unlikely that interest rates are going to go up for some time. Now we have been told for the last 3 years: "Oh, interest rates are going to go up" but they have not and I think it is highly unlikely that they will probably for the next year. I am still waiting for Greece to come out of the euro and the current crisis that is going to occur. Europe is in a mess and that will have an impact on the U.K. economy. We are already seeing today - just changing the subject slightly - the U.K. Government has announced its economic growth figures for the last quarter. The U.K. economy is declining. It has fallen by half of the growth that it had in the previous quarter and there is a possibility of a continued falling. If we get one economic shot coming from the rest of the world, then we could be back into recession in the U.K. Now the point I am trying to come to is that the U.K. have got particular problems of their own. We have got problems. There is no doubt about it. We will have to balance the income and expenditure but not in one year or 2 years. It is over the economic cycle, as the Fiscal Policy Panel has told us. To be honest, if we do not even meet it in 2019 but we meet it in 2020 or 2021, that is fair enough. Now we are told that the Council of Ministers are following the advice of the Fiscal Policy Panel. Well, I wonder if they really are because we have had announced a wage freeze and we are being told the public sector is going to face redundancies, both compulsory and voluntary. Now the biggest factor, as I have mentioned to Members before, in terms of components of economic growth is, for some, there is also a lack of confidence. Now if you are working in the public sector and you are going to be told that you are going to be made redundant, either voluntarily or you may have to go, if you do go, as Deputy Lewis mentioned a moment ago, it is such a painful experience for anybody who has had to face this. In other words, one moment you are in a well-paid job, the next minute you are out of a job and you do not know what your future holds. The truth of the matter is very few ordinary people in this Island have more than a 3-month cushion in terms of salary. In fact, the vast majority do not even have that. They are living from hand to mouth with each wage cheque. So the point is the people who are made redundant in the public sector are going to find their income has dropped substantially. They may not get a job readily. In fact, one thing I did disagree

with Deputy Lewis was the fact that he was talking about Ed Miliband and the fact that he had said that for every public sector job that went, I think there was one private sector one. Well, the truth of the matter is in Jersey, where are the jobs? Now we have been told by the Minister for Social Security: "Oh, unemployment is going down." On the scale that we are talking about with the public sector, where are those jobs going to come from? Now we are told from the Council of Ministers: "Oh, economic growth. We are going to get economic growth." Where is it coming from? For example, we have got the finance industry. We know that banking is suffering. There is some marginal growth in, let us say, funds or company entrusted administration and so on but all those people in the public sector are not going to go into those sectors. Firstly, there is not the business there and, secondly, they have not got the skills to do it. So those people are suddenly going to be denied the income that they have been receiving, their spending power has been reduced quite substantially and if we are looking at income support, we know it is basically subsistence level. They are not going to be going out and putting money into the retail sector or into other sectors of the economy and therefore those sectors are going to suffer. If we look at investment in the economy again, when you think of your disposable income, you use your disposable income for 2 things. One, you go out and buy goods to consume and, as I say, that is the biggest driver of economic growth and, therefore, if we lose all these people in the public sector or if they are worried they are going to lose their job, the first thing they are going to do is cut back on their spending. Why? Because you think: "I have got to build up a cushion to last me when I do go." So one of the impacts of the policies for the Council of Ministers at the present time is we are going to see people will reduce their spending in the retail sector and in other sectors. They will not be going out to a restaurant and probably less takeaways. It has that impact of driving down the amount of demand in the economy and demand is what determines economic growth. So I am saying their policies are flawed in that sense. We are also told we are going to drive economic growth. We have already seen it in their own documents. Do you know what the long-term trend is for economic growth in this Island? Zero from way back in 1997. Yes, we had a spurt around 2007 when the policies they were pursuing encouraged people into the Island and encouraged this, that and the other and it went through the roof and then the 2008 crash came and we crashed out. Even the Fiscal Policy Panel are saying after 2017 or thereabouts, 2016 or 2017, we are going to go back to the long-term trend growth zero. The truth of the matter is we will not get economic growth in this Island at the present time because the banking sector is struggling. We will get marginal growth, yes, for the next few years as I think we are coming out of recession, as I think we probably did in 2014. We are not going to get much but it will die-off pretty quick and the policies that they are pursuing by frightening the public sector by threatening redundancies and compulsory redundancies and wages freezes which, again, all you are doing is taking out the demand ... so the Fiscal Policy Panel is saying we should keep on stimulating the economy to get us out of the recession. I think their policies are going to drive us back into it so even if we do come out in 2014, we would be straight back into it. If you disagree with my figures about economic growth, I have looked from 1997 to the present time, yes, the long-term growth trend has been zero. You will normally go from peak to peak. When you look at their own figures and the reports are there, you will find peak to peak still zero or negative. We are in a fix. They tell us they are going to bring in the digital economy and everything else. Where is the sign for that? Where are all these new industries that Ministers tell us they are going to bring in? For a start, everyone is going digital throughout the world. What is the unique selling feature of Jersey in the digital economy? Yes? Is it our tax system? Well, as we have already been told this morning, Dubai has a 0 per cent tax system on everything. In fact, they give great incentives to people that go there. There are lots of other places doing exactly the same thing. So before we start thinking about dumping all these people from the public sector on the unemployment rolls, where are the jobs going to come from? Bear in mind every one of those people who becomes unemployed is going to be going along to the Minister for Social Security and asking for income support. What will that do? Well, that will

increase government expenditure in that area because it is not discretionary spending. It is what we call one of the automatic stabilisers in the economy whereby if people are unemployed, they go and get that and when you have a recession, that goes up. So I think our policies are self-defeating and in fact when we come on to the Medium-Term Financial Policy and we start getting into the detail of what we are going to do, I am going to be coming in quite heavy on this area. In fact, you are going to get distributed an awful lot of papers showing you papers from the O.E.C.D. (Organisation for Economic Co-operation and Development) or the I.M.F. (International Monetary Fund) showing how some of these things are totally flawed. In fact, I should go back to what this amendment is. I agree with much of what Deputy Southern is saying. We have some fundamental problems in this Island and it is not economic. It is more ideological because many of the Ministers in the Council of Ministers are not just concerned about getting income and expenditure down. What they are really concerned about is privatisation, outsourcing and slimming down the public sector. We can all have views about the size of the public sector. We all have views as to whether it is efficient or not. There are some darn good people out there working very, very hard. There are other people I would get rid of tomorrow in certain departments where they are not doing their job and they are failing the people of this Island. But the point anyway is that we are also told that Deputy Southern is about high taxes. Well, I do not know that he is. I think what I believe in is fair taxes. I believe that inequality of the levels that we have in this Island between the very rich and the very poor is not good. In fact, I was reading a paper earlier on the O.E.C.D where they are saying exactly that. Inequality will reduce economic growth. So what I want to see is fair taxes. It is funny we have got this thing where we do not want a progressive tax policy. Well, to be honest, nobody likes paying taxes but if you earn more, surely you can afford to pay a bit more. So we should not rule out anything but one of my criticisms of the Council of Ministers is they never will look at alternatives. I mentioned at the briefing we had the other week: "Where is the policy on tax where we can review everything and look at what all these well-paid consultants have given us so we can see? Have they looked at every single area of tax?" Now some we may decide it is fair to put up. In other areas, we may think it is not right to put them up so I think until we have a full, transparent look at the tax system of this Island and all the options, we are going the wrong way. We are going their way but they are not producing any evidence to support what they are saying. I must also get a little dig in here. I always get so fed up hearing Ministers talking about how good they are and so on. In fact, I had to laugh at Senator Maclean when I heard him on the radio the other day. He was talking about inflation and every time I hear a Minister talking about inflation in this Island, it is as if they brought inflation down. Well, as I said in this House before many times, we have no levers on inflation in this Island. We do not control interest rates. That is done by the Bank of England. Our tax system is so rigid. We cannot adjust it so we cannot raise fiscal policy or lower fiscal policy. We are not very good at interfering with the economy in terms of direct control. We basically have no policy on inflation. Now they are claiming credit basically for the fact that we have got one of the lowest inflation rates that we have had for some time. In fact, we may be going into deflation if we keep on going this way. Why is it down? It is because of the oil price. I did not realise our Council of Ministers had such an influence on oil prices throughout the world but that is basically what they are telling us. That is why people are buying that - the last few months anyway - it is a lot better for us because we are paying less in fuel. What is it, less than £1 a gallon? Sorry, I wish it was. £1 a litre.

**The Deputy Bailiff:**

Deputy, could I just remind you that this is all about whether or not Deputy Southern's amendment to the Strategic Plan should be adopted?

**Deputy M.R. Higgins:**

Do not worry, Sir. I am running out of material because I could not write fast enough. I can see the Council of Ministers agreeing with you, Sir, because it is uncomfortable, some of the things I am saying. In fact, I have pretty well come to the end of it. All I can say is people are dismissing and certainly the Council of Ministers are dismissing most of what Deputy Southern is saying. I may not agree 100 per cent. In fact, I think I do when I am now glancing at it but the truth of the matter is even if I only agree with 90 per cent of what he is saying, we should be looking at it as an alternative because our policies are flawed. I happen to think that the Council of Ministers are doing this Island a disservice and I also happen to think that in the Senatorial hustings, they were all saying how wonderful the economy was doing.

[16:30]

The idea of a £125 million deficit, I do not think was ever mentioned or even broached. “We are just doing so well. Are we not wonderful?” Now the chickens have come home to roost and I think it is time that this House acted for the population and is prepared to look at alternative policy. Do not get stuck with your heads in the sand always following the same old policy. The world has changed. Finance, as it stands at the moment, is not going to get us out of a recession. We need to find new economic growth but we have not got it at the moment and we have got to have a combination, I am afraid, of reduced expenditure and also some tax increases but not these health charges that have come in or the stealth taxes. Let us have an honest debate about taxation and our economy and where we want to go. So, anyway, I will leave it there. All I can say is I will support Deputy Southern on this particular amendment. Thank you.

#### **6.15.13 Senator I.J. Gorst:**

I will be quite brief. For a moment there, I thought that Deputy Higgins had turned over a new leaf and, in fact, I quite enjoyed some of the elements of his economics lecture and I found a lot that I could agree with but then, suddenly, he seemed to draw the wrong conclusions from his own lecture. Other Ministers have said that there are elements of this amendment that we think are already peppered throughout the Strategic Plan. I think, for Ministers, it comes down to we believe that if we can protect and promote and bring forward the right policies for our financial services sector, for our agricultural industry, for our tourism sector, for the promotion of digital, then we believe that we can have a strong future. Deputy Southern in his ... perhaps I should sit down now, Sir, but I will keep going until he returns to the Assembly. **[Aside]** Fine, I shall try and keep going. In his opening comments, I think he wants us to focus more on this sector, not on support and growth in those sectors, not on the creation of jobs and thereby giving sustainable futures to members of our community but rather on regulation and intervention. He talks about we, on this side of the Assembly, get accused of spin but I am not quite sure how to interpret the term “adjust tax rates” bearing in mind that I did not at all hear him in his comments mention that he might be wishing to adjust them downwards but rather I believe, as is his policy and his party’s policy, upwards. He wants to control rents and so tell the market what the rent should be. He wants to control prices. He wants to regulate a number of activities. He wants to increase employment legislation and this is where the fundamental disagreement is. We accept and we were only today briefed by the Minister for Social Security on some changes to employment legislation in the form of the discrimination legislation. So we accept that there is a need for protection but we believe that it should be appropriate, that it should be proportional and it should have some purpose which will benefit our community in mind and not simply for ideological reasons. This Strategic Plan is not simply about delivering growth and protection to our existing sectors and the new digital sector. Deputy Higgins said that everywhere else in the world is trying to promote a digital sector and he is right. Countries are in competition. We are in competition to create jobs and financial well-being in our community and we cannot just look around and say: “Oh, well, we are only a small place. Perhaps we will not bother doing anything.” We cannot accept that sort of defeatism and, to some

extent, negativity. We have a responsibility to our community which I think Deputy Brée was speaking about. We have a responsibility to our community to help promote the sectors that find themselves here. We have seen over the last year, despite the statistics that Deputy Higgins spoke about in Financial Services ... and he is right in the way that he talks about banking but he downplays the upside of the other sectors because we see now there has been a growth of 400 jobs over the recent period and we are now standing at just below 12,500 jobs in financial services. He may make some pertinent comments about inflation - although I could argue about the value of competition and the freeing-up of the markets - but he does not seem to accept that it is the direct intervention and decisions of Government and this Assembly that means that we are seeing growth now in financial services. I think he is begrudgingly accepting some of that. So there are things that we can do and it is right that we take action in this regard and the concern for me is that if we simply remove the priorities in the Draft Strategic Plan and replace it with the priorities that Deputy Southern is asking us to prioritise, all that is left to one side. I do not believe that we should put to one side the financial well-being of members of our community. Therefore, I ask even those Members that are attracted by one or 2 of Deputy Southern's desired outcomes to reject this amendment, to support growth and the financial well-being of all across our community by supporting the sectors we have got and promoting and ensuring the development of the new digital sector as well. Thank you.

**The Deputy Bailiff:**

Does any other Member wish to speak upon the amendment? If no other Member wishes to speak, I call upon Deputy Southern to reply.

**6.15.14 Deputy G.P. Southern:**

I am glad at last we have had a good debate on this aspect of the Strategic Plan. In my time in this House, I have never seen a Strategic Plan go so quickly as it did this morning. It was of no consideration to a major plan of where we are going in the next 4 years and we have just nodded putting things through. So I am glad we have at last had a decent debate about the principles and about what I call the vision which underlies my particular amendment. As I start, I bear in mind Senator Ozouf's words that I should start with honest appreciation of my audience, of my opponents, and smile to win friends and influence people. See, I can smile, it happens sometimes. **[Laughter]** It is like a little ray of sunshine and my normal features which would sour milk at 20 yards do disappear occasionally. Having said that, my first smile and my first appreciation must go to Deputy Martin, absolutely wonderful. I have enjoyed her banter with the Constables throughout the years, but to have her - and she was almost finger-wagging - she was almost telling off the Ministers that they have been lazy: "Where was your amendment? If you liked some of it why did you not accept some of it?" She is absolutely 100 per cent correct. This is the standard process against, I believe, one of our - or one of mine certainly - propositions. It is like the knee-jerk when you tap the knee with a hammer. It is: "Who has done this?" "Southern." "Kick it into the long grass, we do not like it, we object." What is that about? That is not about paying attention to the evidence, that is about ideology: "If it is Southern's we do not want it, we do not like it, let us vote against it." But the reality is, and the case was absolutely made - just in case I had not made it - by Deputy Higgins for saying that rather than economic growth, and productivity growth in particular, we are likely to see with the measures that we are taking, take £60 million out of people's wages and salaries and then increase taxes on your economy, and what are you going to do to that economy? You are going to seriously damage it because the starting point is: what is the money circulating in your shops, *et cetera*? That is the reality. So would that I could, I wish I could wholeheartedly support the direction that the Ministers are taking, but I cannot because I can see that hole, just as in the way our resident economist can see that as well. The theory does not work. You are going to have terrible difficulty producing that growth. As I started off with, the evidence

is there that that has always been the way. What we are in danger of doing here is doing the same again but trying harder. Well, what that means is we will get to the same place, and how did we get here with this size of shortfall of income to pay for our public services? Why? With this Chief Minister based on 2012 when he said that he was going for growth again and we did not get it. So the evidence says likely not to get it again. It does not matter how hard we push, the theory says it is not going to go in that direction. I will also give a big smile and praise to Deputy Brée. It was interesting to hear his version and in particular his version says we are in danger, we are at risk of a serious economic crisis, and that clinging to the economic model that we have based our economy on in the last 20 years is foolish. He did not say foolish but I am saying foolish. I was asked again by the ex-Minister for Treasury and Resources, Senator Ozouf, to say where I think the model has gone wrong. But his own Minister, Senator Farnham, had already explained it to him, quite simply because he did get this right. I always enjoy listening to Senator Farnham because he always sounds as if he is reading his document for the first time ever. But he said very clearly it is inevitable that the costs in our society, we are an ageing society, are going up, they will go up. Now, I do not know about you but if my costs go up one of the things I think about is I think I had better increase my income, let us do it, and that is what is not happening here. We are saying we must find any number of budget ways to spend less there or raise taxes there, a bit here, a bit there, a bit there, we can bodge it, it is all right, we can deliver these services. I think the answer is, no, you cannot. We need - given this opportunity - a 3 to 4-year interval to say: "Let us change direction." The reality is if we need to deliver these services, and we do, these are not nice to have, these are rising demographic, these are essential health services that we need to provide that we committed to provide, they are not nice to have, then we need to have a look at our tax model and see if we can produce some more revenue.

[16:45]

That is the reality. Now, for me, that automatically says given the state of our society with its vast inequalities between the super wealthy and the poor that what we have to do - and our treatment of the super wealthy and the wealthy and our treatment of the poor - what we have to do is look at that change. Because we know and it has been clearly explained, now the middle-earners are all on 20 per cent. We are all paying 19 to 20 per cent. The figures have changed over the last decade and it used to be a gradual increase through the 5 bounds of quintiles, now it is almost instant, you are up to 20 per cent and that is where you stick and if you are more wealthy than that then you pay relatively less, both in contributions and in the 1 per cent that the super-rich pay. So I thank Deputy Brée for his support. I must respond somewhat to Deputy Pinel who seemed to be wanting to criticise what I said. I did not say anything that was not the case, I said that our Minimum Wage produces in work poverty, I suggest that her sanctions - and I will suggest it here - force people to food banks and that should not be happening on the Island, and that I am not imposing a Living Wage, I am encouraging removing barriers to finding ways to deliver a Living Wage. There is no imposition here, this is not the ultimate communist state: "This is what you will pay." The problem that we have with zero-hours I believe is because those rules are not properly policed. There is no authority to say: "Hang on, you are just breaking the law, employer. You should be doing something else." It is up to the individual to challenge his own boss and that does not often happen. That is the problem we have. So when I say: "Yes, regulate, improve employment law" I mean make it workable because we just have it on paper. Finally, just referring briefly to Senator Maclean. I do not think there are other questions which I have not responded to. He said we need to make decisions on services when I say he does not have the revenue. Then he went on to say that now we have 0.6 per cent inflation, again he seemed to claim some responsibility for that: "We have got it down to 0.06 per cent, everybody will feel better off." I have news for him: public sector workers will not because he has just frozen their pay so they will be only 0.06 per cent worse off than they were last time they looked. So the reality is on top of everything else, in order to get

the co-operation of our workforce to do these massive changes and then to lose so many positions, we are freezing wages again and I do not think that is a recipe for a successful cake. I call for the appel please, and I thank Members.

**The Deputy Bailiff:**

The appel is called for. I invite Members to return to their seats and I ask the Greffier to open the voting.

<b>POUR: 9</b>		<b>CONTRE: 37</b>		<b>ABSTAIN: 0</b>
Deputy J.A. Martin (H)		Senator P.F. Routier		
Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		
Deputy K.C. Lewis (S)		Senator A.J.H. Maclean		
Deputy M. Tadier (B)		Senator I.J. Gorst		
Deputy M.R. Higgins (H)		Senator L.J. Farnham		
Deputy S.Y. Mézec (H)		Senator A.K.F. Green		
Deputy R. Labey (H)		Senator Z.A. Cameron		
Deputy S.M. Bree (C)		Connétable of St. Helier		
Deputy T.A. McDonald (S)		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Connétable of St. Mary		
		Connétable of St. Ouen		
		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of Grouville		
		Connétable of St. John		
		Connétable of Trinity		
		Deputy of Grouville		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy E.J. Noel (L)		
		Deputy of St. John		
		Deputy J.M. Maçon (S)		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy R.G. Bryans (H)		
		Deputy of St. Peter		
		Deputy R.J. Rondel (H)		
		Deputy A.D. Lewis (H)		
		Deputy of St. Ouen		
		Deputy L.M.C. Doublet (S)		
		Deputy S.M. Wickenden (H)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy P.D. McLinton (S)		

If all Members have had the opportunity of casting their votes I will ask the Greffier to close the voting. I can announce that the amendment is rejected: there were 9 votes pour, no abstentions, and 37 votes contre. [INSERT VOTE TABLE]

**Deputy G.P. Southern:**

Another smile, I was not expecting 9, could we have the 9 please?

**The Greffier of the States:**

The following Members voted pour: Deputies Martin, Southern, Kevin Lewis, Tadier, Higgins, Mézec, Labey, Brée and McDonald.

#### **6.16 Draft Strategic Plan 2015 – 2018 (P.27/2015): ninth amendment (P.27/2015 Amd.(9)) - paragraph (3)**

**The Deputy Bailiff:**

The next amendment has been lodged by the Environment, Housing and Technical Services Scrutiny Panel, namely the ninth amendment, paragraph (3), and I will ask the Greffier to read the amendment.

**The Greffier of the States:**

After the words “in the attached Appendix” insert the words – (3) “, except that on page 11 of the draft Plan, in the title to that page, for the word ‘maximising’ substitute the word “optimising”; in the section headed ‘Our Ambition’ for the word ‘sustained’ substitute the words “environmentally sustainable”; and in the chart on page 12, before row 3.1, insert an additional row as follows with the remaining rows renumbered accordingly. Desired Outcome. 3.1 Jersey’s credibility and standing in the market place amongst informed investors is improved and enhanced in terms of environmental sustainability. Key Areas of Focus 2015 - 2018. Consider the importance of critical environmental resources and the benefits of adopting environmental management principles to help improve productivity and efficiency. Develop a focus on attracting environmental businesses to Jersey.

**The Deputy Bailiff:**

I understand, Chief Minister, that this would be accepted subject to the amendment the Council of Ministers forward?

**Senator I.J. Gorst:**

That is indeed the case. I do not know what the Chairman’s view ...

#### **6.16.1 The Connétable of St. Helier (Chairman, Environment, Housing and Technical Services Scrutiny Panel):**

Yes, we are happy to accept the amendment and I am grateful to the Council of Ministers. I think it goes without saying to Members that the financial services industries which are obviously the main pillar of our economy, the key players in that sector are extremely aware of the importance of environmental sustainability and indeed that is one of the reasons why people in many cases are happy to invest in them. We simply feel here, as before, there is a tendency to use the word “sustained” to mean viable. We want to make sure that environmental sustainability has a key place in this section of the strategic plan.

**The Deputy Bailiff:**

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



**6.17 Draft Strategic Plan 2015 – 2018 (P.27/2015): ninth amendment (P.27/2015 Amd.(9)) - paragraph (3) - amendment (P.27/2015 Amd.(9)Amd.)**

**The Deputy Bailiff:**

As I have foreshadowed, there is an amendment to this amendment by the Council of Ministers, amendment 9(3) amendment, and I ask the Greffier to read the proposition.

**The Greffier of the States:**

Page 3, amendment (3), in the inserted row in the column headed “Key Areas of Focus 2015 - 2018” after the words “businesses to Jersey” insert the words “in line with our Ambition of optimising economic growth”.

**6.17.1 Deputy I.J. Gorst (The Chief Minister):**

Sir, as I said, I am grateful to the panel for accepting the amendment.

**The Deputy Bailiff:**

Is the amendment to the amendment seconded? **[Seconded]** If no Member wishes to speak then those Members who are in favour of the amendment to the amendment ...

**Deputy M. Tadier**

Could we ask for the appel please?

**The Deputy Bailiff:**

The appel is called for. Members are invited to return to their seats. I ask the Greffier to open the voting.

<b>POUR: 39</b>		<b>CONTRE: 3</b>		<b>ABSTAIN:</b>
Senator P.F. Routier		Senator A.K.F. Green		
Senator A.J.H. Maclean		<b>Deputy M. Tadier (B)</b>		
Senator I.J. Gorst		Deputy S.Y. Mézec (H)		
Senator L.J. Farnham				
Senator Z.A. Cameron				
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				

Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy A.D. Lewis (H)				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy S.M. Bree (C)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**6.18 Draft Strategic Plan 2015 – 2018 (P.27/2015): ninth amendment (P.27/2015 Amd.(9)) - paragraph (3) - as amended**

**The Deputy Bailiff:**

We now resume consideration of the amendment of the Environment, Housing and Technical Services Scrutiny Panel. If no Member wishes to speak on that amendment, those Members in favour of the amendment kindly show. Those against. The amendment is adopted.

**6.19 Draft Strategic Plan 2015 - 2018 (P.27/2015): seventh amendment (P.27/2016 Amd.(7)) - paragraph (1)**

**The Deputy Bailiff:**

The next amendment has been lodged by the Connétable of St. Helier, that is the seventh amendment of paragraph (1), and I ask the Greffier to read the amendment.

**The Greffier of the States:**

After the words “in the attached Appendix” insert the words – (1) “, except that in the chart on page 12 of the draft Plan in row 3.1 in the column headed “Desired Outcome”, after the words “growth sectors” insert the words “without disadvantaging the retail, hospitality and service industry sectors.” and in the column “Key Area of Focus 2015–18” after the words “leading international finance centre” insert the words – “Create a level playing field to ensure that businesses wishing to employ staff with less than 5 years” residency, are treated in the same way regardless of sector

**The Deputy Bailiff:**

Chief Minister, I understand that this is not accepted by the Council of Ministers?

**Senator I.J. Gorst:**

That is correct.

**6.19.1 The Connétable of St. Helier:**

This amendment is one which I have been very grateful to the Council of Ministers for their comments on. They give quite an in-depth analysis of why they cannot support it and I must say, having read those, I am pleased because at least we have some figures. I would, I must admit, have hoped for rather more detail from the Council of Ministers about how applications for licences are processed. Because in common with other Members of the Assembly I have taken specific cases to the panel to try and get licences for, in most cases, non-financial services businesses and not always understood the procedure which I am going through, and nor possibly have the appellants

understood what is going on. Having said that, I have had some success with appellants going for licences and I must admit that there is a great deal of sympathy from the Ministers who comprise that panel that award the licences. I have no criticism of either the Ministers or the officers who support the panel. I think the problem that many people have, particularly in the hospitality sector, and those are the concerns that I hear most often, are that there is a perception at least that while someone in the financial services industry - or the FinTech as it now appears to be being called - sector, the digital economy, they can get licences for people fresh off the boat, really quite easily. But someone struggling to maintain part of the hospitality industry really struggles to get the kind of skilled people they need. We speak a lot about diversification, about what tourists hope to find, particularly when they go to our restaurants, and it is clearly very frustrating for operators of restaurants and hotels when they simply cannot get the skilled staff they need to provide food at the standard that they want to do. I have met hospitality owners, business owners, who really are at the point of giving up because their requests for skilled staff or experienced chefs and so on are simply not being met. The Council of Ministers points out that there are already a majority of such licences being given to the tourism industry. But that does not seem to me to square quite with the facts as I see them that if we want to diversify our economy we have to allow such businesses some sense of a level playing field. But even if we cannot have a level playing field, if it is going to have to continue to be tilted in favour of the financial services sector - and I understand the reasons for that, it is more productive - at least there should be a very transparent process so that people understand what the process is, what their chances are of getting a licence and so on. So there it is. I must say I do not expect to win this, after all it would be rather like changing the population policy of the States of Jersey on the hoof after a period of some few weeks that this amendment has been lodged and I would be very surprised if the States was willing to do that, certainly without consulting much more widely with those likely to be affected. It is also the kind of amendment that perhaps falls between 2 stools. It will not appeal to the Council of Ministers but nor will it appeal to those - and we have already heard them speaking today - who feel that some kind of magic cap should be placed on our population and we should miraculously maintain a certain number of people in the Island, which of course would make it very difficult for this licensing of extra people to get anywhere at all. I am also slightly nervous in bringing this forward because I sense we have already had half of a population debate today and perhaps we are going to have the second half now. So, as I say, what I am trying to reflect is genuine frustration out there, particularly in the hospitality sector, and other service industries. Another example is a clothes retailer, and this may surprise Members but this particular clothes retailer cannot get staff to do the job at the right standard, even though the person has worked very closely with the Back to Work scheme that is operating very successfully in other areas. So there is a problem, if the Council of Ministers have solutions to it that do not involve this kind of level playing field then I would be very pleased to hear them during the debate. I maintain the amendment.

[17:00]

**The Deputy Bailiff:**

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

**6.19.2 Senator P.F. Routier:**

I suppose it comes as no surprise that during a strategic debate we will discuss population and immigration and I am sure it will not be the last time we have to do that because for an Island like Jersey population is high on people's minds. We have a small Island and we have to manage our resources as best we possibly can. The public are currently concerned about jobs, they are also concerned about unemployment, they are concerned about housing, and they are also concerned about our public services. They are worried about transport and our environment, as we have heard today. But businesses naturally worry about their ability to recruit staff and to prosper. This is

what a population debate is all about and, importantly, it is about how we balance all these objectives into a sustainable package. We believe that this Strategic Plan supports a sustainable package by investing in education to develop our home-grown work force, by investing in health as our society ages, promoting St. Helier as a place where people want to live, work and visit, and also by streamlining our public services. The Strategic Plan also prioritises economic growth and in doing so promotes a migration policy that is focused on productivity, getting more out of our available resources, which of course is the people we already have in our Island who are looking for work. As our population ages this becomes even more important. It stands to reason that the migration we do permit should bring the most possible benefit to our Island, whether it be through taxes they pay in the well-paid jobs, or providing care and education to provide for the well-being of our changing community. The Constable's amendment is, all the same, understandable. We all want to support our hospitality and retail businesses. Most of us use these businesses every day and we value them, but we also need to support our wealth-generating businesses like the financial services sector, construction, and the development of new industries such as e-commerce and FinTech. So if we are limiting population, which of these industries and which businesses should we support? Well, the first and foremost, our emphasis is on training local people, on education and skills, supporting innovation, ensuring regulation does not stifle entrepreneurship, and a benefit system guaranteeing that work always pays. But for every couple of weeks, you will understand that the Housing and Work Advisory Group listen to businesses presenting applications to employ more people who are new to Jersey. On occasion - as the Connétable has mentioned - some States Members do come and represent businesses who need to have their businesses assessed to see if they do warrant having licences, and we do support businesses as the Connétable has identified. I would like to point out that we support all sectors of our business community. May I suggest that if Members have the comments to hand, if they would look on page 3 at the chart indicating the numbers for permissions which already exist. The Connétable did refer to that as useful information for Members to have. We do support all sectors, the hospitality sector, for example, already employs more migrant workers than any other sector, a third of all workers who are new to Jersey are employed by the hospitality sector. They have a large amount of permissions, more than the finance sector, more than the retail sector, and more than construction. If this amendment is arguing that all sectors should be treated the same then finance, retail and construction sectors would probably even get more permissions, but hospitality would have to lose some. We believe that is not realistic. Of course in other European countries hospitality is a profession of great pride with the local people staffing the restaurants and bars and hotels. Unfortunately it is currently not that way in our community. With the help of the industry, and Highlands College, I would like to see that change. Even if it is just a little bit, there are opportunities for the people who are currently unemployed within our community who I am sure could do a valuable job within the hospitality industry. The solution is not more and more migration. That is short term-ism which is not good for businesses either. The solution is a more productive hospitality sector which innovates and invests, that is more attractive to local people as a place to work, that attracts more visitors to Jersey. This is the sort of sector we are supporting when the Housing and Work Advisory Group makes decisions. This is the sort of sector that Visit Jersey supports, that the Back to Work programme supports, 3,000 people have been supported into paid employment by the Back to Work team in the last 2 years. Training schemes to support the hospitality sector and others. Many hospitality businesses have grasped this opportunity while also exploring new markets, innovating and adapting. We also support the finance sector, it employs more local people than any other sector, it represents 42 per cent of our total economy. The finance sector contributes the most taxes to help pay for our much needed services. But if it is to prosper and remain in Jersey it will need to bring in highly skilled workers. We are also trying to diversify our economy, we work closely with Digital Jersey, Jersey Business, and Locate Jersey to bring new businesses to our Island to support start-ups and investment. So we do offer support to businesses across the spectrum. In doing so we

offer most support to businesses that employ less migrant workers than their competitors. Each business should be assessed on its own merits, the economic and social value it brings to Jersey, and the number of migrant workers it employs compared to its competitors. That is what is fair. We must continue to have a fair system. Finally on the question of process. We have moved the Population Office to the Social Security Department so that they work even closer with the Back to Work team, sharing systems and staff and information. This of course gives businesses and jobseekers a much better co-ordinated service. It has been refreshing to hear how employers who do engage with the Back to Work team are able to identify staff and receive training and support from the department. This is how governments should work. The Connétable was questioning about the need for clarity about how it works. For those employers who do engage with the Back to Work team - and it is identified when they are making an application for staff - and they have engaged with the Back to Work team and it is evidenced that there are not the skills available within, it is quite possible that the Back to Work team will make a recommendation that their licence is given. So it is a matter of us getting that message out that it is important to work with the Back to Work team who do have a great number, 1,400 people, who are registered with them. The Back to Work team also provide skills training to ensure that they can have the right skills to meet business needs. So I support the Connétable of St. Helier in what he is seeking to achieve in our town. We do and can work with him to achieve this but I do not believe that we are in a position to support this amendment. This Assembly has asked us to limit migration, it has asked us to support economic growth, it has asked us to do so fairly and this is what the public expect. If we are serious about controlling the number of people who come to our Island then we should reject this amendment. This amendment would loosen the controls on immigration which is something we all know goes against what the majority of the public have indicated they want. I urge Members to reject this amendment.

### **6.19.3 Deputy A.D. Lewis:**

I have to say that I am minded to support this amendment. I deal with a lot of small business owners who have said the very same to me as they have said to the Constable, particularly in the Parish of St. Helier where we have numerous retailers and service sector industries. If we are going to grow the economy at the top end the bottom end has to grow too. If you do not grow the jobs in both you cannot do one and not the other. Now, I understand this is all about balance and that is what Senator Routier was trying to say, it is very much about balance. The Regulation of Undertakings that came before the legislation we have now was all about balance, and we managed to successfully grow our economy over a 25-year period by increasing the population by very, very little. I know the Deputies behind me will disagree with that. We come from the mid-80s to 100,000 in 25, 30 years yet we have seen extraordinary economic growth during that period. Some would say it is an economic miracle, talk to an economist they would say it would be impossible, but we did do it and it was achievable. But during that period we had restraint on jobs and then we had release of licences and then we drew back again and we did use it as a barometer of how we controlled the population. But we are now going into a growth phase and if you are going to grow the top end you have got to grow the bottom end as well, and I do not believe we are going to do. If you want a vibrant St. Helier - which is what the Constable said in his proposition and in his amendment - if you want to grow St. Helier, regenerate the town, get it lively, have that more retail, have more service sector companies and businesses such as cafés, restaurants and so on, so you have got that vibrant city feel, you need people. The biggest problem we have though, and Senator Routier alluded to it, work is being attracted into the sectors that the Constable is particularly talking about: hospitality and retail. The wages are low, a Living Wage is something that has been spoken about a lot in the Assembly today and that is an aspiration that we have. If we can get close to a Living Wage then we can genuinely expect local young people to enter these sectors. At the moment why would they if they can go and be even a filing clerk in a finance house and earn 2 or 3

times as much? So why would you go into hospitality, long hours, hard work, shift work? It is not easy. In other countries, Australia and New Zealand in particular, hospitality is viewed as an important sector, a sector that you go into as a career and stay in, and the migrant workers are the ones that support it, but lots of local people in those industries are there as a career because they are paid a Living Wage. We are not doing that so until we do that we will continue to have to bring in migrant labour to support those industries. We can train as many chefs and as many waiters and as many car mechanics as you like at Highlands but if the wages are not there when they get out into the workplace they are not going to stay in those sectors, they are going to seek other work. So there is something fundamentally wrong in the way we are doing it at the moment, but Jersey is an imperfect market, it is very, very difficult to get the balance and we have over many decades kind of got the balance right. There have been times when we have not and times when we have and we are going into a situation now where we are going to get it wrong if we do succeed in the economic growth that we aspire to, because if you grow the top you have got to grow the bottom.

[17:15]

There was a quote that I used earlier on, it came from the Coalition's manifesto: "The problem is not the supply of jobs but the supply of workers." We have exactly the same problem happening now, so we cannot ignore this problem completely and just say we will carry on doing it like we have done it before. We need to rethink as to how we are doing and that is what the Constable is suggesting here is the 2 go hand-in-hand, if you want a vibrant St. Helier - where most of your service sector industries are, your shops, your cafés, your restaurants - then you need to support that as much as the top end, the high value jobs. It is a difficult balance but I do not think it should be ignored, so I will be supporting the Constable's amendment.

#### **6.19.4 Deputy J.A. Martin:**

It is not often that I stand to not agree with my Constable but I think he is way off in this one and certainly following the other Deputy of St. Helier, Deputy Lewis, I think he is totally wrong as well. He is talking about jobs, he is talking about people, we have about 1,400 unemployed and I was going to add on to that, school is out at the end of May, beginning of June. Are they all employed, have they all got their A stars or any qualifications? We were promised a lot more working with Education and getting people workl-ready, it is not about school-ready, what about workl-ready? Deputy Baker, who was in my district previously, did not make a lot of speeches but he made an excellent speech on the interim migration policy when he said we have to really choose the people we let into work. But the fundamental premise of why people are not working in retail, hospitality and other sectors that Deputy Lewis says may be low paid is that there are a lot of employers out there who will not look at local people, they will not move their rigid, rigid ... I know one establishment, and it is a late night establishment, and every time they apply for staff it is for every Friday, Saturday and Sunday from 10.00 until 3.00; there is no shift. Now, who is going to give that? I have worked weekends but I have never given up every weekend, every Friday, Saturday and Sunday. I have said to this employer: "Get a bit real, do a bit of work, take on a few more people and rotate, let them swap shifts." "I might need them when I am busy." Well you are not going to get people there who cannot manage to have a life, they maybe have young families, they may be quite young themselves, but they are going through their career. I cannot accept this on the premise we have a substantial amount of unemployment out there. A lot of the school leavers and people who are still unemployed did unfortunately leave a fantastic education system, sitting at the back of the class, being ignored, and did not get any passes. They are now being educated through Social Security which is great, do not get me wrong, I think it is a fantastic thing to do. What we have not got yet, we have not got the catch-up. We started too late, Social Security should not have been doing it, Education should have been, and we have had a Minister for Education for the last 3 years who has sat on his hands until the last few days in this House and said

everything is wrong with his Education Department. Sorry, but people like that really do get under my skin. I think what we have here, we really are trying, what the Social Security, the Back to Work, even the support in some employers to employ our youngsters and people who have been out of work for more than 12 months is fantastic. This would just put a total spanner in the works, it will make it so easy for the lazy employers out there who will not look at their employment, where they do work. I cannot believe somebody in retail cannot out of 1,200, 1,400 people find someone who does not know: "Hello, good morning, Sir, what can I help you with today?" If it is electrical maybe, because sometimes you go to different places. This is mad. The Constable of St. Helier said an ordinary retailer in St. Helier, and we would all be surprised, cannot get someone to work for him. Well, words fail me so I will shut up but I tell you this amendment must be thrown out.

**Deputy M. Tadier:**

Can I just seek direction? There are 2 parts to this amendment, is it being taken separately?

**The Deputy Bailiff:**

That would be a matter for the Connétable as to whether he wishes them taken separately.

**The Connétable of St. Helier:**

No, I will take them together I think.

**6.19.5 Deputy M. Tadier:**

Is it within Standing Orders to take them separately, I suppose is the question, but I will be speaking to them in 2 separate parts very quickly and I will do that in reverse order. Without dwelling on it, Members will know that I was out of the office earlier attending a funeral and it might be interesting to note that this individual was a Breton lady who came to the Island in 1938 and it was noted by the priest who was giving the ceremony today that she came, like many, to our Island to work in the fields. She would have been 19 years old at the time, she met a Jersey man over here, got married and established a family and the rest, as it goes, is history. That is a story which is very similar and I put that in there because we will have many instances or stories like that either in our own families, our friends, or going back however many generations. We are all from somewhere else. For me, even though we have focused very much today on the economic inequalities that there are in our society, the social inequalities, I think that perhaps one of the biggest injustices and one of the biggest divisive things that we have in the Island is not so much economic disparity, because there are natural mechanisms or actual fiscal mechanisms which can kick-in to take care of some of that. It is to do with the labels that we give people and the unfairness that we project in our society by way of regulations, namely the residency rules. I am speaking very much from a personal point of view here but I am very uncomfortable with the 5-year residency and with the 10-year residency because they cause false divisions in our society, and for what purpose? Ostensibly we are told it is to control population and to control the labour market. We know that those 2 reasons do not work, they are at very best blunt tools, they create social division and we also know they lead to economic and business red tape - unnecessarily, I believe - when we need to find a better system in our Island where everybody who comes to these shores to work and to live is treated equally. I am not saying it is necessarily very easy but if we can start off all together from that premise, if we can agree the problem, then we are going to be much closer to agreeing the solution. I think that is the context in which perhaps this amendment needs to be set. So it seems to me strange that the Council of Ministers would not agree to what appears on the surface to be a very straightforward second part of this amendment. To create a level playing field to ensure that businesses wishing to employ staff with less than 5 years residency are treated in the same way regardless of sector. Why would we not be doing that? By rejecting this the Council of Ministers are saying: "We want to create an unfair playing field to make sure that businesses wishing to employ staff with less than 5 years residency are not treated

the same way regardless of sector.” When you put it that way it is very strange. Why on earth would the Council of Ministers want to create an unfair system on top of an already problematic system? We have been told - and this is the rub - that you cannot control the population if you are bringing people into both sectors. When I say “both sectors” I am saying the finance industry on the one hand and other industries on the other, that is a very crude way of distinguishing because of course we know that the finance sector is not homogenous and nor are the other sectors, but I think for the purpose of this point it can be made. Just summarising there, I think we need to move away from this punitive system where people can work in the Island, not claim some benefits, others can do no work but claim benefits because there are no jobs around and we have perhaps failed them as a Government over decades. But when it comes to growth sectors, disadvantaging the retail, hospitality and service industry sectors, the first point I think has to be acknowledged is that many sectors such as hospitality in the Island could not exist solely were it only for the finance business that comes to the Island, such as hotels, and they also could not survive solely on tourism. They need both of those to make business viable the year round. That said, there is a consequence which is known as the “cuckoo in the nest” syndrome; that is when you rely so heavily on one particular industry - in this case the financial services industry and all related in that area - it does tend to crowd out other forms of economic activity and it is called the cuckoo in the nest because it happens by stealth. You end up first of all beginning with an egg being put into your nest and by the time you know it you have got something which did not look like what you expected it would do in the first place, by that time it is too late because there is no space left. I think this is the issue perhaps that the Constable of St. Helier is trying to grapple with: how do we try and make sure that in promoting one particular industry - finance, FinTech will be next big thing, whatever one wants to call it, high net worth industries which may or may not last a very long time - how does one protect retail hospitality services and other industries when we know that they demand very specialised roles and they demand them now, not in 10 or 15 years’ time when school leavers are coming out. The answer is we import those specialist people into those jobs and we expect everybody else organically just to be going into the hospitality industries, into agriculture. But as already has been touched on, this Council of Ministers will not even give a commitment to support the Living Wage. We do not even know what the Living Wage is yet, chances are it is going to be somewhere between £8 to £10 an hour if that is what somebody who can live independent from Government support needs. They will not commit to that yet they hope that all of these school leavers who cannot for whatever reason, or do not want to go into finance related jobs, will somehow end up going into those industries and everything will be okay. This is the problem that we have here and this is why, I suspect, the Connétable might have been in a position to bring forward this. I also have the issue here that I am quite supportive of the second part of the amendment but I do not see, in his attempt to try and square the circle, in the first part that that can be supported because I do not think you can ultimately do the 2 things at once. We need a more balanced economy, we need an economy where agriculture, tourism, other innovative areas of industry can come up, and the finance. But you cannot simply say: “We want to grow finance and we want to grow other areas and we want to control the population and we want to have motherhood and apple pie all at the same time, and we hope that everything will be right but we do not want to make sure we pay people a Living Wage.” You cannot have it every way so I am afraid I cannot support that because it is not logical. But I do wish the Constable well in his pursuit for solving the Island’s population needs while at the same time keeping his St. Helier constituents - which include the service industry and the retail industries - all happy at the same time.

### **The Deputy Bailiff:**

It is now 5.30 p.m. and Standing Orders require me to ask whether Members wish to continue or to adjourn immediately to the next continuation date, 9.30 a.m. tomorrow. I have 3 Members who have indicated a desire to speak. Perhaps any Member who wishes to speak on this amendment



could indicate now. Yes, there are another at least 3 or 4 Members who would wish to speak. Do Members agree to adjourn?

**Senator P.F. Routier:**

I propose the adjournment reluctantly.

**The Deputy Bailiff:**

Do Members agree to adjourn until tomorrow? The States is adjourned until 9.30 a.m. tomorrow morning.

**ADJOURNMENT**

[17:30]