

3. Questions to Ministers without notice – Minister for Economic Development

3.1 Connétable D.J. Murphy of Grouville (of the Minister for Economic Development):

This is really a lead-on from the last question. The Minister said when he replied to the question that the JCRA is funded by the States. Is that correct?

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

It is indeed funded to the extent of approximately £595,000 for full budget year of 2006. That is for their work on the generic competition policy. In addition to that, they will be receiving fees from the 2 entities that they regulate directly but which are Jersey Telecom's and Jersey Post's. It is the intention to further extend their specific brief for the regulation of electricity and, I hope, in various different other monopoly areas and so they will accrue fees for that basis too.

3.2 The Connétable of Grouville:

Would you agree with me that it is incorrect to say and give the impression that it is wholly funded by the States?

Senator P.F.C. Ozouf:

I apologise if it was indeed part-funded. The JCRA is effectively 2 bodies. In other places and at bigger places, one would have a competition commission and a separate "OF-regulator" of some description. We have one organisation because it is more efficient. They are funded by the States in respect of their generic competition law. For the regulatory work, they are funded by individuals. Indeed, for mergers and for when seeking permission for mergers etc, they also receive fees for that. It is certainly part-funded and a significant amount of funding comes from the States.

The Bailiff:

I should have announced at the commencement of the question period that at the request of the Privileges and Procedures Committee, I am instituting a new practice by allowing Members who wish to ask a supplementary or follow-up question to the Ministers to do so. I hope that Members will not use that as an excuse for 2 questions, but if they wish to follow up a particular question, they will be able to do so.

3.3 Deputy R.G. Le Hérissier:

When I asked a question a couple of months ago about the scintillating topic of bollards, the Minister said that there was a review taking place on all the internal operations of the airport due to report on 30th June. Would he inform us, on the key outcomes of that review?

Senator P.F.C. Ozouf:

The review in terms of the whole airport has been a subject for discussion by myself and the Assistant Minister, and the Chief Minister has been briefed on it. Work is underway in respect of looking at the whole capital programme, the function of the airport, and that report will be made public within the next 3 to 4 months. Work is underway, but nothing has been released at the moment. It is an internal working document.

3.4 Deputy R.G. Le Hérissier:

I am afraid I find that answer unacceptable because I was given a promise there would be a report by 30th June. Would he tell us what the key outcomes were of that report?

Senator P.F.C. Ozouf:

The review is looking at the capital programme and the timing of it. We have a new airport director and I am very confident with the work that the airport director and his team is doing. I am afraid to say that I am not prepared, in public, to release something which has not been completed by the appropriate department.

3.5 Senator L. Norman:

As the Minister responsible for the development of a marine leisure industry, would the Senator give his view on the threat as he understands it of the introduction of a tax on fuel used by leisure craft?

Senator P.F.C. Ozouf:

My view is to remain united with the Council of Ministers' policy. The Council of Ministers has not discussed that. I am aware of the consultation which has been issued by the Treasurer and Resources Minister. I have received a further 2 letters from people within the industry which I will pass on to the Minister, and no doubt the Council of Ministers will discuss this. I want to understand and get a full understanding of the whole issue of marine fuel. I do understand (and I only have sketchy information but I intend to find out some more information about this) that despite the fact of an absence of a duty on marine fuel, marine fuel in Jersey is quite expensive. We seem to have a similar problem, potentially, in marine fuel that we had in other petroleum markets. That is something which I will also be sharing with the Treasury Minister so that we have a full appreciation of the whole subject of the petroleum market for marine.

3.6 Deputy G.P. Southern:

Is the Minister aware of renewed pressure from the Forum for Private Business in the UK brought on locally-owned e-commerce businesses in the Island, and what steps will he take to robustly defend the Island's reputation in e-commerce?

Senator P.F.C. Ozouf:

I believe that we have been successful in defending the reputation of the Island in some quarters on popular measures that I announced a couple of months ago. I am sure the Deputy is aware that there has been a report by the National Audit Office on the whole subject of VAT collection etc, and Jersey's position has come out extremely well. The fact is that we collect an awful lot of VAT and indeed, I believe that as a result of that, Jersey will be held up as a model of jurisdictions collecting VAT. I will continue to defend very vigorously the good Jersey business which we have encouraged and, indeed, the numbers so far this year are up.

3.7 Deputy G.P. Southern:

Does the Minister feel that his defence of the reputation of Jersey was not helped by his use of the word "sham" business in his policy?

Senator P.F.C. Ozouf:

I do understand the use of the word "sham". It was from a departmental briefing. I understand that, and I understand the consequences of using that word "sham". However, it has to be said

that we were unhappy with the types of business that were being undertaken in Jersey without Regulations of Undertaking approval, and I am looking forward to his Scrutiny Panel review on the whole subject.

3.8 Deputy S. Power:

I welcome the new retail strategy that the Minister announced last week in proposing to allow a number of larger retail units on the Island at some future date. Can the Minister clarify as to why, after 4 days of discussing and debating the Strategic Plan, there was no direct reference to this in the Strategic Plan?

Senator P.F.C. Ozouf:

I am not sure that I can answer the fact that it was not in the Strategic Plan, but the fact is that the retail work has been underway for some time. The previous Economic Development Committee of the day commissioned the Experian Report. People are well aware of that. It created quite a lot of discussion and indeed there has been a great deal of work by my own department and the economic advisor in relation to the formulation of this plan which I believe strikes an appropriate balance. I believe very much in the words of the editorial of the Jersey Evening Post that this was a carefully balanced report which was designed to get the maximum benefit for consumers but without causing problems in the retail harbour town.

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

I am sorry to return to the airport. I understood that it was a separate consultant's review of the airport done by outside consultants, and it was going to be circulated to us. Does this mean that this particular report has been ditched and is not going to be circulated to Members?

Senator P.F.C. Ozouf:

Not at all. We are extremely satisfied with the work of the new airport director and indeed the external consultants which have been reviewing. There are a number of important issues which have come to light in respect of the airport which we are addressing. It is not something that is in a fit state to publish publicly. I am perfectly happy to share with Members if they request, under normal confidentiality of information with Members, and certainly the Scrutiny Panel may well want to take an issue of that. There are some important issues with the airport which we are getting to grips with, and I will share in public and with Members as soon as I am able to do so.

3.10 Deputy S.C. Ferguson:

The *Jersey Evening Post*, when it was reporting on the retail report by Experian, mentioned that airport land was possibly going to be utilised for a retail area. Has the Jersey Evening Post got this correct? Is this a correct thing, because certainly the traders up at Les Quennevais and Red Houses are really quite concerned?

Senator P.F.C. Ozouf:

I am happy to confirm that the retail study, rightly so, does not identify and has not considered any issues concerning sites. Those likely are going to be a matter for the Planning Minister to consider. Of course, we are looking at the whole of the airport estate. We have tough targets to meet in relation to landing fees etc. It is not something new but, at some point, we will be looking at commercial opportunities at the airport. However, there have been no discussions whatsoever at this stage concerning any re-emergence of a retail issue. The Deputy may remember that a number of years ago, I understand, there was some talk, but there has been no

recent talk of it. I think that is pure speculation on the Jersey Evening Post side. I do not criticise them for that though.

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

With reference to the retail study, would the Minister confirm his support for both the comments by Chris Shepley in the Supplementary Planning Guidance in which he says that he does not believe the waterfront is the place to make up for lack of floor space and a supermarket would be a mistake? Also, does he confirm that he supports the Island Plan where it says that St. Helier town centre, as defined in the town map, is the most appropriate location for any new major food retailing development?

Senator P.F.C. Ozouf:

I think Mr. Shepley wrote an excellent report and I think his conclusions were extremely valid in not only that respect but in a number of respects. I would express the hope that the Constable would be extremely relieved to see the retail study. It is significantly less additional retail space than the Experian Report had recommended, and I think it is designed to achieve a continued vitality of the much-appraised retail environment of King Street and Queen Street. We want to continue for that to happen. However, there is a need to have some additional competition which is set out clearly in the report. Any new retailing of a larger scale may well be considered, but whether or not that happens in St. Helier is entirely a matter for the Planning Minister.

The Connétable of St. Helier:

I am sorry, I did ask if the Minister could confirm that he supports the Island Plan's view that the town centre is the most appropriate location for any new large food retailing outfit.

Senator P.F.C. Ozouf:

I would say that the Island Plan is under review and that those conclusions are currently enforced. They are the policy. If they change, that is going to be a matter for the Minister to bring forward for this Assembly's consideration.

3.12 Deputy A. Breckon:

I wonder if the Minister would like to comment on the recent report and recommendations about Jersey having a financial services ombudsman scheme, and would he say whether his comments are positive or negative?

Senator P.F.C. Ozouf:

Briefly, positive. The Deputy is aware that I support the need for that, and I am going to do all I can in order to achieve that. There are cost issues that need to be addressed, but he can get my absolute assurance that I will be pushing ahead with that. I welcome his comments on that.

3.13 Deputy A. Breckon:

Could I just have confirmation that that is actually what the report says?

Senator P.F.C. Ozouf

I support a financial ombudsman.

Deputy A. Breckon:

Is that what the report says? I asked if that was what the report said.

Senator P.F.C. Ozouf:

Well, the Deputy would have read the report. It sets out a number of options, but for the avoidance of doubt, I think there is a need, I support one, and I am going to make it happen.

3.14 Senator B.E. Shenton:

The Minister has said that he intends to toe the party line with regard to the fiscal strategy. Does this mean that businesses are wasting their time talking to him with any concerns that they may have?

Senator P.F.C. Ozouf:

I am not only a Minister. We have worked together with colleagues. We discuss it internally on the Council of Ministers. I was the Vice-President of the Finance and Economics Committee of the day. It would be a curious state of affairs if I did not support the retail strategy. If he is dealing with inclusive pricing, the fiscal strategy, I support the fiscal strategy, always have done, think it is great for Jersey, and confidence is building as a result of the wise decisions this Assembly took last year.

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

As car parking charges have just increased at the airports, in the current economic climate, does the Minister not agree that this is counterproductive?

Senator P.F.C. Ozouf:

I do not agree that it is counterproductive. The airport, in fact, was a little late, if anything, in introducing the same car parking charges that the previous Environment and Public Services Committee enforced last year. By the way, that has also been sent off to the JCRA for review and the JCRA did not have a problem with it either.

3.16 Deputy C.H. Egré of St. Peter:

Would the Minister confirm that cash has been set aside to pay compensation to those people who have been affected by the PFOS contamination from the airport fireground?

Senator P.F.C. Ozouf:

I am aware of recent developments in that regard which the Assistant Minister is dealing with. I cannot comment about actual money set aside, but the States' legal liability in relation to any of these things will, of course, be met. I know that there are discussions ongoing with a number of individuals at the moment.

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

The Minister in the past has made overtures to having greater co-operation with the States of Guernsey such as, for example, a single utility regulator. This and other initiatives, are they progressing? Has he made any steps further forward with such ideas?

Senator P.F.C. Ozouf:

I remain absolutely convinced that it makes sense for a single utility regulator across the Channel Islands. I would dearly hope for the competition law, as recommended by Dr. Gal, to be a competition law which is across the Channel Islands. It seems, however, that Guernsey is not quite ready to adopt the, in my view, very sensible provisions that we have within the competition law. That is a shame because it is confusing for businesses. They will be operating in one environment in Jersey and one in Guernsey. I support it. I hope it is going to be on the agenda for the Council of Ministers meeting that we are going to be having very shortly, and I am off to Guernsey again to talk about fishing in the next few days.

The Bailiff:

That completes the first question period.