

2.7 Senator B.E. Shenton of the Chief Minister regarding the possibility of the sale of Jersey Telecom:

I apologise to the Minister for asking him to repeat himself. Has the Council of Ministers discussed the possible sale of Jersey Telecom and, if so, has any offer for the company been received or agreed in principle and will the Chief Minister on behalf of the Council of Ministers give an assurance that the matter will be brought to the States for a full debate before any sale is agreed?

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

Senator Shenton alluded to... this has been largely covered by the Treasury and Resources Minister in response to an earlier question - but to answer the question, the Council of Ministers discussed the matter on 15th June and agreed that consideration should be given to the possible sale of Jersey Telecom. It was also agreed that this proposal should be the subject of a consultation paper and this paper has now been issued. States Members and the public have been invited to submit comments by 8th September. No offer for the company has been received or agreed in principle and I can give an assurance that the matter will be brought to the States for a full debate before any sale is agreed.

Senator B.E. Shenton:

Could the Chief Minister give his definition of the word “consultation”?

Senator F.H. Walker:

Well, yes Sir, as agreed by the States previously, the Council of Ministers has agreed on a series of consultative papers and, indeed, a paper has been issued which is available of course to States Members or be sent to States Members, if it has not already, and is available to the general public and all interested organisations. So, anyone in the Island who has an interest in the subject is invited to record that interest and to submit their opinions on the proposed sale however they may feel about it.

2.7.1 Connétable D.J.M. Murphy of Grouville:

Given that there are 450 staff and their families who are dependent on their jobs here, can the Minister give them some comfort about their future employment?

Senator F.H. Walker:

Yes, Sir, I believe they have already had assurances from the Board of Jersey Telecoms and the continuing security of the staff will, without doubt, be a question that the Council of Ministers will be addressing and I am sure without doubt will be a question that the States would wish to address should the question of its sale ever go that far.

2.7.2 Deputy G.P. Southern:

Does the Chief Minister share his Treasury Minister’s high opinion of Scrutiny in that he believes we could produce a proper in-depth report on this measure in the period 7 weeks and does he share this high opinion that Scrutiny can do this or walk on water?

Senator F.H. Walker:

I doubt that Scrutiny can walk on water, although some Members might like to think they can. **[Laughter]** This is an important issue and there is no doubt that it is the type of issue that Scrutiny should play a full part in and I have no qualms or reservations about that at all. What we need to do is work together here - not in opposition - work together to ensure that we come up with a result which is in the best interests of the taxpayer, best value to the taxpayer and of maximum benefit to the consumers of telephone and services in Jersey and I do believe that the time-scale allows. It is short, but I think working together it can be achieved. What we have got to remember here is that this is a highly commercial situation and if we are to maximise the value to the taxpayer and the benefit to the consumer, we do have to move quickly. I would look to the Scrutiny Panels here for their full and total co-operation in enabling us to do so.

2.7.3 Deputy R.G. Le Hérisier:

Would the Chief Minister say whether a serious option was the so called J.E.C. option when this particular decision was being made:

Senator F.H. Walker:

No final option has been agreed upon. The only position that the Council of Ministers has agreed to is that we should basically explore the possibility of selling Jersey Telecom. As the consultation document makes clear, Jersey Telecom is now one of very, very few telecoms companies still in public ownership. There are reasons for that and there have been tremendous benefits to both taxpayers and consumers in other countries through the privatisation of hitherto state owned assets. But no options have yet been fully explored, no decisions have been taken. This is an exploratory exercise at this point.

2.7.4 The Connétable of Grouville:

If I could refer the Minister to page 4 of the discussion paper issued by him. At the bottom, the last paragraph: "The company has maintained a strong balance sheet which places it in a sound position to fund investment in the next generation network and 3G mobile network roll out." How does that justify the sale or even the thought of the sale of Telecom?

Senator F.H. Walker:

Telecoms in Jersey, like everywhere else in the world, is moving into a highly competitive environment. There are 3 other possible players entering the market and Jersey Telecom thankfully is in a strong position and thank goodness it is because whatever the decision taken we need to ensure that we have a robust telecommunications, a world-class telecommunication structure infrastructure in Jersey. Now, we are going to have the opportunity of investigating whether it remains in the best interests of the public to continue owning Jersey Telecoms, or whether it is in the best interests of the public - because ultimately it is only the public that matters - to pursue a sale and is purely an investigation at this point. The strength of Jersey Telecom should a sale proceed should enable that the public will earn a very considerable sum of money from any such sale.

2.7.5 Deputy G.P. Southern:

In a spirit of working together - entirely I could not agree more with him - is the Minister aware that I had been seeking the background papers on this item which was B7 due to debate for a full debate on the 8th June by the Council of Ministers. I finally got them on Wednesday, 12th July and I read in the paper the day after that the decision had already been made on Thursday, 13th July. Is he satisfied that yet again Members receiving information through the news and not through this House is a satisfactory way to ensure co-operation?

Senator F.H. Walker:

The Deputy has just said he received it the day before it went to the media and proper procedures were adhered to. We have a duty, obviously, to inform Members in the right way and the Council of Ministers has gone to great lengths in recent months to ensure that Members are informed before the media. But clearly we also have a duty to keep the public informed and striking a balance is what we always strive to do.

2.7.6 Deputy A. Breckon of St. Saviour:

Could I remind the Chief Minister of something he said in this House on 22nd June in reference to this during the Strategic Plan: "Sir, could I just I think clarify the position of the Council of Ministers. We are not in any way hell-bent on privatisation as has been suggested. We are hell-bent on working in the best interests of both consumers and the taxpayer. That is all we are saying. If any decision is recommended at any point which changes in any way the current ownership of any of the utilities, then we are perhaps thinking here the most likely, of course, would be Telecoms where we have a world-class service at very competitive rates we have to have or else the economy in the Island, never mind anything else, falls away. If there is any such proposal it can go nowhere without the full approval of the States. So, I do not know what Members are worried about at this point. There is no such proposal on the table and if any such proposal is ever put on the table it will come to the States and it will only happen if a majority of Members approve it." The question of the Chief Minister, Sir, is would he care to reflect on this statement and advise the House if he thinks it was inaccurate and misleading in the circumstances, bearing in mind he had earlier said that the Council of Ministers discussed it one week earlier on 15th June.

Senator F.H. Walker:

I do not think it was in any way inaccurate or misleading. I think it was totally clear and I reiterated that the fact is that any such proposal will come to the States for a States decision: only a States decision. That was totally clear, totally accurate and I stand by it.

Deputy G.P. Southern:

A point of clarification, Sir, please.

The Greffier of the States (in the Chair):

Well, very briefly then.

2.7.7 Deputy G.P. Southern:

The Minister has just said that it was perfectly clear. Is it the case then that no decision was made on the 15th to bring to this House a motion to privatise Telecoms in the time-scale which included October?

Senator F.H. Walker:

No such definite decision was made. The decision was clear. The decision was, and I have quoted this in my answer: "We agreed on 15th June that consideration should be given to the possible sale of Jersey Telecom." We went on to say that we gave an assurance that the matter will be brought to the States for a full debate before any sale is agreed. That remains the position, totally straightforward.