

2.2 Senator B.E. Shenton of the Minister for Transport and Technical Services regarding the recovery of a payment to Connex in respect of shift allowances:

Would the Minister inform Members whether any actions have been taken to recover the £186,802 paid to Connex in respect of shift allowances (Recommendation 6 of the Committee of Inquiry into the tender process and award of the bus contract) and, if not, would he advise whether he intends to take any action and, if so, when; explaining the reason for the delay and whether interest will also be claimed?

Deputy G.W.J. de Faye of St. Helier (The Minister for Transport and Technical Services):

I note that the Senator asked the same question in January of this year, and I regret that there is no further update on that position. As I advised the House at the time, the Committee of Inquiry into the bus tendering process recommended that the former Environment and Public Services Committee should take immediate action to determine whether the £186,000 payment in respect of the shift allowance can be recovered, either from Connex or from any other person. The previous Committee took that action and requested officers to seek the advice of the Attorney General. This was done on 6th September 2005. When that advice has been received, I will consider the appropriate action to take, which if it is to seek repayment of the monies from Connex or any other party, will include the issue of interest. In the meantime, Sir, I would humbly entreat the Senator to perhaps devote his attentions rather more usefully to the resourcing of our legal department. **[Laughter]**

2.2.1 Senator B.E. Shenton:

Is it not the case that the Minister has no intention of reclaiming the money from Connex, because with the amount of money he is throwing away on the bus service - £2.5 million last year - it is just a drop in the ocean and he does not want to upset his very cosy relationship with Connex? **[Members: Oh!]**

Deputy G.W.J. de Faye:

I form no intention and will not form any intention on this matter until I have received appropriate legal advice. I have to say, I reject the other illusory comments that the Senator added to his question.

2.2.2 Mr. W.J. Bailhache, Q.C., H.M. Attorney General:

Would the Minister accept my apologies that advice on this issue has been so delayed and also would he accept my assurances that the matter is now receiving urgent attention?

Deputy G.W.J. de Faye:

In my opinion, the Attorney General has no need to apologise, because I understand the pressures that his department works under. However, I am very pleased to hear that this matter is receiving urgent attention.

2.2.3 Deputy G.P. Southern:

Notwithstanding the pressures on the legal office, what actions did the Minister take to ensure that his office made sure that this was brought regularly to the attention of the legal department?

Deputy G.W.J. de Faye:

I am advised by my officers that an enquiry was made to the legal department on the process of this particular issue about just over one week ago, and prior to that, about one month previously and I gather that enquiries have been made on an ongoing basis.

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

Could the Minister inform us if all other recommendations of the Committee of Inquiry have now been implemented as suggested, and to which document could we go in order to have reassurance in that regard?

Deputy G.W.J. de Faye:

I cannot give that reassurance, Sir.

2.2.5 Deputy S. Pitman of St. Helier of the Chief Minister regarding:

Would the Chief Minister inform Members whether he was consulted by the Bailiff on the content of the recent speech given by the Bailiff to the Liechtenstein Dialogue on the Future of Financial Markets, and does the Chief Minister concur with the statement in that speech that: “Lip service is paid to tax competition”?

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

While I was not consulted directly by the Bailiff on his speech, because I was out of the Island, I can confirm that my department was fully aware of the content and indeed, advised on its preparation. I concur completely with the statement that: “Some countries pay lip service to tax competition.” Our experience for a number of years has been that this is so. Our policy has always been to point out these inconsistencies and to do so in all available fora, of which the Liechtenstein Dialogue represented the latest opportunity.

2.2.6 Deputy G.P. Southern:

Would the Chief Minister give the House his interpretation of what he believes is meant by the words: “Lip service is paid to tax competition” and will he give examples of countries that are paying such lip service to it?

Senator F.H. Walker:

It is a well-known fact that Jersey has had to battle now for some considerable time and, I have to say, battled very successfully to protect our economy, our tax independence and our tax structures. It is a well-known fact that some of the larger nations, both in the E.U. (European Union) and the O.E.C.D. (Organisation for Economic Co-operation and Development), while supporting the principle of tax competition, when it comes to the reality, particularly when comparing themselves with small, successful jurisdictions such as Jersey, find it difficult to put the acceptance of the principle into practice. Those countries might well include Spain, Italy, Germany, France and one or 2 others further afield.

2.2.7 Deputy P.V.F. Le Claire of St. Helier:

Would the Chief Minister outline for Members whether or not it is the Chief Minister’s desire and the government’s desire to speak out on lip service and money laundering issues in financial markets and, if so, what programme does the Minister have for tackling this issue? Also, if we are speaking about this issue, rather than about a speech that the Bailiff has made, may I ask the Chief Minister in what context

does the Chief Minister expect the Bailiff and other Members to consult about their content of their speeches?

Senator F.H. Walker:

I will take that last point first. The invitation originally to attend the Liechtenstein Dialogue was extended to myself and the Bailiff; I was unable to attend. The Bailiff and I discussed the position, and we fully agreed that he should attend and take another opportunity to hammer home the Jersey message, which I have to say, I think he did very effectively indeed. That is the normal situation that exists in these matters. So far as Jersey effectively fighting its corner is concerned, which is, I think, the nub of the Deputy's first point, Sir, this is something that never ceases. There is no particular programme. What Jersey does, what I do, what my officials do, what other Ministers do - indeed, what the Bailiff does - is take every possible opportunity, both verbally, in presentation form, at private meetings, at public meetings and in writing, to hammer home the message that Jersey is an extremely well-regulated finance centre and that we deserve the respect and the co-operation that we show other Member states of the O.E.C.D. and the E.U.; we deserve the same respect in return. Increasingly, it has to be said, we are winning that battle. We have not won it; hence the Bailiff's comments and my support of his comments; but increasingly, we are winning that battle and we will continue to fight at every possible opportunity to promote Jersey's position in the future, just as we have done over the last 5 or 6 years or more.

2.2.8 Deputy S. Pitman:

This matter raises more questions about the Bailiff's role. As an unelected Member of the States, should he be making political speeches on behalf of the people of the Island? Also, there is a clear conflict of interest here, with the Bailiff presiding over the legislator and head of judiciary.

Senator F.H. Walker:

That is a point of view with which I do not, in any shape or form, subscribe. I think it is sad, Sir, when the Deputy chooses to make a cheap, local, political point, when the issue here is Jersey's reputation and Jersey's economic strength internationally.

2.2.9 Deputy G.P. Southern:

If I may return the Minister to the international personality we appear to be developing and our international reputation, is it not the case that when representing this Chamber externally, we should primarily be dependent upon elected representatives to do that, and in the absence of the Chief Minister, should he not have been replaced by a political representative in that case?

Senator F.H. Walker:

Primarily, the job of representing Jersey in these matters does fall to Members of this Assembly, but is the Deputy really suggesting that the Bailiff, having been invited, that just because he is the Bailiff, that we, Jersey, should have turned away from this further opportunity to hammer home our position in, it has to be said, some very influential company indeed?

2.2.10 Deputy G.P. Southern:

Does the Minister not accept that the speech made to the Liechtenstein Dialogue was, in fact, a political speech?

Senator F.H. Walker:

I do not, Sir. I consider it to be a very well-written and very well-presented speech, which defended Jersey's interests and sought to protect and develop Jersey's interest, and Members of this House should be welcoming that, not questioning it in a negative way.

2.2.11 Deputy G.P. Southern:

Will the Chief Minister concede that some of the reservations expressed by the likes of Spain, Italy, Germany and places further afield over tax competition is due to the fact that taxation which is paid in places like Jersey is not being paid in those countries and going towards their basic services?

Senator F.H. Walker:

I am sorry. I think I must have missed the point of that question. Could I ask the Deputy to repeat it?

Deputy G.P. Southern:

Tax competition is presented in order to increase the taxation paid in the competitor country against that which they are competing with. An increase in taxation paid here results in a reduction in taxation paid in whatever country, which goes in that country towards the payment for basic public services, and that is the case for the reservations about tax competition, surely.

Senator F.H. Walker:

That is pure quotation from the tax justice network; absolute literal translation from the tax justice network who, we know, their main ambition is to put Jersey out of business as an international finance centre. It does the Deputy no credit whatsoever merely to spout their nonsense.