

#### **4. Questions to Ministers Without Notice - The Minister for Economic Development**

##### **4.1 Deputy C.H. Egré of St. Peter:**

Would the Minister advise Assembly and, thus, advise those living in the area affected by the P.F.O.S. (Perfluorooctyl sulphonate) pollution resulting from contamination from the airport fire ground when they may get a conclusion on their valid claim for compensation for pollution of their borehole supplies? This has now been going on for in excess of 2 years.

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

The answer is that this is dealt with by my Assistant Minister. I know that he has had discussions with residents and people in the vicinity. I am not immediately familiar with the timetable. I know that efforts have been made to resolve this matter. I fully accept that. I am happy to give the Deputy after question time - it is matter with the law officers I am advised - exactly what the timetable is. I share the view that it needs to be resolved.

##### **4.2 Deputy A.E. Pryke of Trinity:**

As a Minister with a remit for tourism, can he inform the House on the future of Y.H.A. (Youth Hostel Association) in Jersey who have been running a successful hostel at Haut de la Garenne for many years?

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

The Deputy is absolutely right. The Y.H.A. has been an incredibly useful addition to the bed stock of the Island. We met with the Youth Hostel Association on Friday in order to discuss what we can do. I can advise the Assembly that I also discussed the matter with the Tourism Development Fund and we want to help the Y.H.A. find an alternative site for the duration of any consideration. I am making no comment about Haut de la Garenne but we want certainly the Y.H.A. to be in operation for as long as there is a discussion about the future of Haut de la Garenne. Discussions are happening at Tourism with officials. We intend to give the Y.H.A. every single support possible and to find them an alternative site for a period of time. We want their business. We value their business.

##### **4.3 Deputy K.C. Lewis:**

Further to recent news regarding H.D. Ferries stopping their service for this year, will the Minister and his Assistant be actively seeking further operators on this route?

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

My Assistant Minister and I have had very substantial discussions with our respective officials in Harbours and the E.D. (Economic Development) Regulatory Services about this issue. I have to say, Sir, that we are extremely disappointed with the performance of H.D. Ferries. We made absolute maximum effort to assist them and we welcome competition on the route. I have also had discussions with Condor - that is new operators and new owners - and I have to say that our preference certainly as far as the southern route is concerned is that competition works well for consumers. I cannot find those new operators. What I can say to the Assembly is competition is our preferred option for the southern route and if we do not have competition then I will instruct the J.C.R.A. (Jersey Competition Regulatory Authority) with us to put in place some sort of price regulation. The proxy for competition is regulation and regulation will follow if there is a single operator.

##### **4.4 Deputy P.V.F. Le Claire:**

We have recently seen some dramatic incidences in the mortgage markets in America and the U.K. Fannie Mae and Freddie Mac have just been taken over by the Federal Government to preserve the economy and also similarly in the United Kingdom we had Northern Rock taken over by the regulators. I do not think that Jersey is going to succumb to those pressures given our unique desirability in terms of property but does the Minister not agree that it is now time

perhaps to investigate the mortgage market in Jersey and to undertake a commitment to make sure that all that is possible can be done for people seeking mortgages?

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

A very relevant question. The mortgage market in Jersey is worth about £6 billion a year. We have seen increasing competition in the Jersey mortgage market in recent years with traditional lenders being added by the likes of Jersey Home Loans. The Deputy is right to say that we are not isolated from changes in the international community. Jersey Home Loans because of the credit crunch announced their withdrawal of the market. I contacted most of the leading lenders and I can say that there is money available to lend in the Jersey market but I want to continue to ensure that the market is working well in the interests of consumers. I can say to Members that I am in final discussions with the Economics Unit to carry out a review, probably going to be carried out by O.X.E.R.A. (Oxford Economic Research Associates) of the local market reviewing lenders, looking at the comparisons of terms available for Jersey borrowers, looking also at the regulatory arrangements. The mortgages are regulated in the U.K. They are not in Jersey. There could be a case for doing that. There also is a case perhaps for having a separate statute for building societies to allow building societies to operate. A very difficult issue with the Financial Services Commission. There is confidence in the Jersey market. I want to ensure that that continues. We need to understand the mortgage market is working well and that is why I am going to be doing the review.

**4.5 Deputy C.J. Scott Warren:**

Does the Minister have any concern about the very obvious increase in the population of Jersey, albeit the economy has obviously benefited from current immigration?

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

I think that the Bible analogy is that in years of plenty you put your barns full of food in order to take you through the leaner times. Jersey is different from our near neighbours. Jersey is different from Guernsey and the United Kingdom. In years of plenty we have run the economy well and we have significant resources available. We have expanded the capacity of the industry in extending its geographic reach. That is going to take us through. That careful stewardship of the economy is going to take us through more turbulent economic times. Yes, we have grown. We are not going to see that growth continue at those rates but we will be investing in the economy to ensure that those people that have work, locally qualified people in work continue to perform in a confident economy which we have.

**4.6 Deputy A. Breckon of St. Saviour:**

Could I ask the Minister to comment on how effective he believes that the service level agreement is with H.D. and Condor Ferries?

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

I think the service level agreement which expires on the 9th April next year is effectively dead in water. I am afraid to say that H.D. Ferries signed a service level agreement. With the support of this Assembly we changed the regulations. Those service level agreements now have teeth. Effectively the service level agreement I think is now going to be withdrawn. The permit is going to be withdrawn and we are going to be in discussions with H.D. Ferries over exactly what to do. But certainly there is a corresponding issue with Condor which we need to happen. We cannot have one operator having to go through the whole of the year with one operator just cherry picking.

**4.7 Deputy J.A. Hilton:**

The Minister will be well aware of the demand for construction workers here in Jersey from his role in the granting of temporary licenses under the Regulations and Undertakings Law. Does

the Minister believe the States are doing enough to provide training opportunities for young people in the construction industry at Highlands College?

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

I think that we have done a lot more than previously. Now as the Deputy will be aware in her work at the Population Office at Housing, we have effectively taken all of the large construction businesses into Regulations of Undertaking Population Office and had discussions with them. We are very tough on employers to ensure that they are taking locally qualified people. While Deputy Southern shakes his head, if he looks at the numbers there is a significant, overwhelming proportion of locally qualified people that work in construction. We want to have an economy which has job opportunities for young people. Every single time there is an application for a construction worker, an application for a new project, we ring up Highlands to find out whether or not there are people at Highlands willing to work and able to work and we have been doing a great deal more. The new skill centre is going to be open a week Monday. We are investing in putting skills at the heart of social security and education in terms of our policy. We have done a lot but, yes, of course we can do more and particularly perhaps in leaner economic times we are going to have to make sure that those job opportunities are available for our local people.

**The Greffier of the States (in the Chair):**

There are a lot of people waiting, Minister. If you can keep your answers snappy.

**4.8 Deputy S. Power:**

I will be as snappy as I can with my question. Does the Minister consider that the £35,000 grant from the Tourism Development Fund this year to the lessees and the operators of the Les Ormes Adventure Centre was a good decision? Is he aware of the visitor statistics relating to that adventure centre for the first 6 months of its operation?

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

I am not aware of the number of visitors but I maintain the fact that that visitor centre which I have visited on 2 occasions is an absolutely wonderful addition to the visitor economy and for local people. I am aware that there are some discussions going on with the owners of Les Ormes about that issue. I am fully briefed on the matter. I continue to think that that is a very useful addition to our visitor economy and for Islanders; team building, great experience for tourism.

**4.9 Deputy C.F. Labey of Grouville:**

Could the Minister tell us what his thoughts were of the 2008 Battle of Flowers? Is the event in his opinion secure for the future?

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

I think we have had the turning point for the Battle of Flowers. 2008 was a spectacular success on a number of issues. We did not have the financial issues and concerns but we support it. We clearly have also commercial sponsorship in place. Battle is here and here to stay. There is going to be a constructive meeting with all parties in the next couple of weeks about how we can build on this year's success. It continues to have the support of Economic Development but there are changes and improvements that can be made. I think that I would say that it is still the most important cultural event for thousands of Islanders and providing fresh facilities for children, options for people to go and do things in the summer. All round a great Island event that is here to stay.

**4.10 Deputy G.P. Southern:**

In the Annual Performance Revue 2007 it states that the target for job growth over the most recent 5 years is being met and is 0.7 per cent. Does the Minister accept the figures reveal that

the true figure is 1.1 per cent so he has already broken the 1 per cent job growth target he set himself in order to have sustainable controlled growth?

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

I think the Deputy should go back to maths school. I made a comment to the Council of Ministers Business Plan. My comment is going to be available to Members later today. The facts are done by the independent statistics unit that job growth has been 0.7 per cent over 5 years. If you take the economic cycle it is less than that. If the Deputy is saying that we should not have allowed the economy to grow on a rising tide and giving people opportunity and business the opportunity to deliver economic growth then I do not know what he expected to do. Is that going to now slow? Yes, it is. Is that a good thing? Yes, that is fine. We have made hay when the sun shines and that is the thing we should do.

**Deputy G.P. Southern:**

Supplementary if I may, Sir?

**The Greffier of the States (in the Chair):**

I am sorry, I have other people waiting.

**4.11 Deputy D.W. Mezbourian:**

The Minister has been successful in his policy of increasing passenger arrivals to the Island through the airport and the harbours. Does he have any concerns about the impact that the increase has had on the delivery of their services by Customs and Immigration officers? If he has concerns, is he addressing them at all with the Minister for Home Affairs?

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

We have been, I am pleased to say, spectacularly successful in boosting passenger arrivals in the Island; year to date figures up by 6.6 per cent, in 2 years up by over 10 per cent. New aircraft, et cetera. Of course I am afraid there is a consequence to Customs and Immigration. My Assistant Minister has been holding some discussions with Immigration on these issues. I have to say that is mainly in the sea figures. They are down. There are some discussions with Customs and Immigration and I am hopeful that we can have some constructive engaging discussions with Customs and Immigration to resolve the issues.

**4.12 Deputy I.J. Gorst of St. Clement:**

I am delighted to hear the Minister's announcement of a review into the mortgage market and mortgage providers. In my view it is absolutely long overdue. However, I hope he will confirm to us that he does not believe that we should return to an era of 100 per cent, 110 per cent mortgages. It is the likes of Fannie Mae and Freddie Mac that have encouraged irresponsible lending and produced the problem that the world economy finds itself in now. Can he confirm that within this review he will be looking to regulation and governance which would limit the amount that mortgage providers can provide and not return us to the problems that have occurred?

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

Absolutely. The Deputy is right to say that 100 per cent mortgages and shoddy lending practices have wreaked havoc across the worldwide economies in sub prime. That is one of the reasons why I am ensuring that in this review all of those issue and particularly looking at regulations as a part of that.

**4.13 Deputy R.G. Le Hérissier:**

Given the Minister's recent comment on what he regarded as the poor standards from the secondary sector of numeracy and literacy, what will he be doing to address these issues with his fellow Ministerial colleagues?

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

I think those comments were unfortunately made at the end of a very constructive Scrutiny Panel hearing. There is now a collegiate approach in relation to social security and education. We all want secondary schools which are lifting people's basic reading and writing skills to their best potential. Highlands do have a challenge in dealing with some of those issues. But I am in some constructive discussions as chairman of the Skills Executive with my colleagues, the Minister for Education and the Minister for Social Security, and where we can improve things we will of course do so. But we do understand the challenges that face Highlands College funding. I have to say that I think the new chief officer and the Minister is doing a great job in reforming Highlands.

**4.13.1 Deputy R.G. Le Hérisser:**

Can I just have a quick supplementary? Is the fault with Highlands or with the secondary schools? What was the implication of what he said earlier?

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

I wish to point no fingers. It is just great we want a society in which all secondary school pupils arrive at 16 and 17 with good basic literacy and numeracy skills. We have to make our young people rounded in order that they can be productive members of society.

**4.14 Connétable M.K. Jackson of St. Brelade:**

The Minister alluded earlier on to a 6 per cent increase in arrivals at the airport. Would he confirm that, in his view, passenger arrivals and stay periods are comparable during July and August with previous years?

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

They are and they are up. I am happy to share with the Constable the full figures and circulate them to all Members.

**4.15 The Deputy of St. Martin:**

Yes, I wanted to follow on after the Deputy of Grouville and ask the Minister if he is sitting next year in the V.I.P. stand will he give an undertaking to remain in the V.I.P. until all the floats have gone past?

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

A cheap shot, Sir. A cheap shot I am afraid, Deputy. Unfortunately St. Martin had a difficulty. I was not the only Member in the V.I.P. stand enjoying the Battle of Flowers that did not realise that St. Martin had yet to do. That is a choreographing issue with Battle of Flowers. It was unfortunate. I think St. Martin was well celebrated in having a prime spot in the evening parade where everybody enjoyed their excellent work. [Approbation] I would appreciate if you would not give a cheap shot to indicate that I had somehow sloped off as that is not the case. [Laughter]

**4.15.1 The Deputy of St. Martin:**

It is unfortunate the Connétable of St. Peter and Deputy Mezbourian are not in the Chamber because they would join in with me. Unfortunately the V.I.P. stand was also empty by the time they got round. It was just one of those things. I hope it will not be repeated.

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

It was not, Sir, and the organisers of Battle have said that of course improvements can be made. There was a problem in relation to the running order which was not the point of any of the visitors, any of the people sitting in any of the stands. It was unfortunate but nothing should take away from the spectacular success of the 2008 Battle of Flowers including the parish of St. Martin. **[Approbation]**

**The Greffier of the States (in the Chair):**

Very well. That concludes the time for Questions Without Notice.