

**2.4. Deputy P.V.F. Le Claire of St. Helier of the Minister for Treasury and Resources regarding the cost of advertising with the *J.E.P.* and the *Jersey Gazette* to States departments:**

How much money was spent advertising with the *J.E.P.* over the last 12 months and the *Jersey Gazette* by States departments?

**Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

Can I ask Deputy Noel to be rapporteur please.

**Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):**

We can confirm that including design costs the total amount spent advertising with the *Jersey Evening Post* and placing notices in the *Jersey Gazette* over the period from 1st July 2009 through to 30th June 2010 was in the sum of £333,988. This can be broken down as follows: *Jersey Gazette*, £66,684; planning notifications, £51,364; recruitment advertising, £140,137; and run of paper and miscellaneous costs of £95,803.

[15:15]

**2.4.1 Deputy M.R. Higgins:**

I would just like to know how much the States recover from some of the advertising, because various bodies that have to publish in the *Gazette* are billed for it. I just wonder how much is clawed-back. Was that a gross figure?

**Deputy E.J. Noel:**

I will get that information and pass it on to the Deputy.

**2.4.2 Deputy P.J. Rondel of St. John:**

I note over £100,000 advertising job vacancies, *et cetera*. Given the size of some of these vacancies, would it not be prudent to start reducing the size? Because if people get a vacancy sheet, when I was in business we used to use small little adverts, we did not need half a page or quarter of a page, or a tenth of a page, to advertise a job. Given in this time, when there is a lack of jobs, we should be able to reduce that budget considerably by reducing the size of the adverts. Can the Minister or Assistant Minister give us the way forward that his department is going to act, please?

**Deputy E.J. Noel:**

Indeed, the department is already acting in the manner that the Deputy for St. John says. Advert sizes have been reduced and we foresee that for the coming year the £140,000 spent on recruitment advertising will be substantially reduced, through a reduction in the number of posts being advertised, through a reduction of the size of the adverts being placed, and indeed, the department will be looking at using alternative methods, including new technology in terms of Facebook and Twitter and things like those medias. I now have the answer to Deputy Higgins' question, and the figures quoted are indeed net.

**2.4.3 Deputy M. Tadier:**

I hope that the Assistant Minister will not be making the adverts too small, otherwise it will probably defeat the object, that we are trying to get people's attention. Can I

just ask a point of information: what is “run of paper”? That last point that was made, that is not familiar to me.

**Deputy E.J. Noel:**

It was not a phrase that was familiar to me, until I found out what it was. A run of paper is anything that appears outside of the classified section.

**2.4.4 Deputy M. Tadier:**

I do not suppose the Minister would have handy the breakdown of how much of advertising costs Scrutiny spend versus other business, other departments? If not, would he be able to provide that?

**Deputy E.J. Noel:**

Deputy Tadier is correct. I do not have that information, but I am willing to provide it.

## **2.5 Connétable A.S. Crowcroft of St. Helier of the Minister for Treasury and Resources regarding Health and Safety compliance in the States property portfolio:**

Would the Minister advise how much is spent by the Property Holdings Department in order to achieve health and safety compliance in the States property portfolio, whether he considers this amount to be justified, and if he has full confidence in the operation of this department?

### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

Deputy Le Fondré has full delegation for property matters and will answer the question.

### **Deputy J.A.N. Le Fondré of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):**

In 2010 Jersey Property Holdings has budgeted to spend just under £1.2 million on health and safety compliance inspections and testing of potentially hazardous equipment and systems. That is about 30 pence per square foot, just to put it into context. As Members, I am sure will appreciate, as the owners of property on behalf of the public, we are required to comply with the Health and Safety at Work (Jersey) Law to ensure we maintain a safe environment for the staff and visitors. That work can include things like risk assessment, statutory inspections and equipment testing. Those are all prescribed in the current legislation or approved codes of practice. Those requirements are mandatory, and they form the basis of certain contracts which we have been in the process of, or have been, re-tendering. Any related health and safety works that then come out of those inspections are then prioritised within the funds that we hold for reactive maintenance. Just to give Members a guide, in the last 18 months we have improved the States' compliance with statutory regulations from 60 per cent in the middle of last year, which we considered to be unacceptable, up to about 80 per cent at the moment and are aiming to reach 90 per cent. So essentially, J.P.H.'s (Jersey Property Holdings) current approach is fully supported by the Health and Safety Directorate, and I do consider the current expenditure by Jersey Property Holdings to be fully justified.

#### **2.5.1 The Deputy of St. John:**

Given that one point something million is spent on this regulatory authority, would the Assistant Minister confirm that this also covers the condition of our roads, given we have so many potholes and the like, and therefore health and safety issues, which I presume must come under his department indirectly, and also paths within parks and the like, are also covered where uneven surfaces may be, and therefore will he confirm that they cover all these areas, please?

#### **Deputy J.A.N. Le Fondré:**

No, it does not. It is the property portfolio, it is not roads, it is not footpaths, and it is not drains.

#### **2.5.2 Deputy D.J. De Sousa:**

Following on from that, does this figure cover vacant properties that are owned by the States, or just those that are used?

#### **Deputy J.A.N. Le Fondré:**

The short answer is, I think, it depends. Vacant properties are vacant for certain reasons. They could be in transition. So it could be a property that is earmarked for disposal, for example, Jersey College for Girls, we are not doing very much on it. If it is a property that has been vacated by one department that needs some work done on it before it goes into the hands of another department for operational use, then yes, potentially, it does. It depends on the circumstances.

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

It was an interesting answer that the Assistant Minister gave us in relation to the first question, especially as he dwelled upon the fact that the obligation to keep these properties safe was mandatory. I would like to ask, pressing him on that area, what is he doing with St. James', as that scaffolding has been erected to stop masonry falling on people for several years now?

### **Deputy J.A.N. Le Fondré:**

That is quite a good example, because the scaffolding is erected to mitigate the risk of masonry falling on to the public. We do not have the funds to do a full and permanent solution, so the risk assessment is that the work that has been done is sufficient to meet our statutory obligations as they presently stand. That is the option that is fundable and is acceptable in the current circumstances.

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

May I press him further? As that is £18,000 a year or more for the scaffolding, is it satisfactory that the States of Jersey would penalise people in the private sector to undertake those kinds of "fix and tape" jobs when we get away with it for year after year? Should that not be tackled by his department, as it is a mandatory obligation? Is it satisfactory?

### **Deputy J.A.N. Le Fondré:**

As I said, in fact, I think I answered the point last time this was raised. The risk assessment is to make sure that it is safe for public use; the measures put in place are acceptable. If we had between £750,000 and £1 million sloshing around, I am sure we would all be delighted to put the building into a fit state. That does not mean it is dangerous to use at present. Bearing in mind, as I think I referred to last time around, the various levels of condition that we consider are the statutory health and safety requirements, and then obviously, after that, the next priority is making sure that buildings are fit for operational use. The choice we had at that time was between fixing a leaking school roof, which means that your children are dry, or for example, making sure a boiler is working, again perhaps in a school, so that in winter they are warm, versus spending £750,000 on something which we do not have the money to do at the moment. Those are the priorities, unfortunately, we are faced with.

### **2.5.5 The Deputy of St. John:**

Given the answer I received about roads and the like and footpaths, given a property, and its curtilage is still all property, therefore, does the Minister not think he is a bit flippant in his reply in not wanting to hold the departments concerned, whether it is public service or whoever is running those particular properties, to account, as we heard from Deputy Le Claire, over the St. James' church? I think it is remiss on the part of his department, and will he agree that he is being remiss in not making sure that if you are carrying out reports and inspections, that the work in the report is carried out?

**The Deputy Bailiff:**

I am going to disallow that question. The Assistant Minister is only able to answer matters for which he has responsibility and he does not have responsibility for that.

**Deputy M. Tadier:**

Yes, my question is slightly too decadent so I will leave it go, and maybe ask it in private.

**The Deputy Bailiff:**

Connétable, I apologise that I did not get back to you for supplementary answer. As a result, you can have at least 2, if not 3, supplementaries.

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

I will have 2, thank you. **[Laughter]** The Assistant Minister did not answer the last part of my question, which was, of course, originally directed at the Minister about his Assistant Minister. So it is clearly difficult for the Assistant Minister to say whether he has full confidence in the operation of the department. Can I quote, 20th April, the Minister for Treasury and Resources said: “There are clearly issues that the Assistant Minister who is responsible for property identified this morning, which we need to work with Ministerial colleagues to deliver on property matters. Clearly everything is not working at the speed at which we would want.” Hardly a ringing endorsement of the Assistant Minister, is it?

**Deputy J.A.N. Le Fondré:**

I will leave the Minister to deliver that one. All I can answer is about the question as it was writ, and I believe the question is, does he have full confidence in the operation of this department? On the basis that the right of reply is important, I will try and answer for the department. The senior team at Jersey Property Holdings has well over 60 years property experience. I am only going to focus on 2 individuals, but I thought this might come up, so I did some digging. In his previous role, the Director of Jersey Property Holdings delivered, at the time, the largest outsourcing facilities management in Europe. It was £1.3 billion, it delivered savings of over £150 million. In the 5 years in the post he delivered hundreds of millions of pounds of disposals and many millions of pounds of annual savings. He was also a member of the C.B.I. (Confederation of British Industry) Property Policy Board, membership of which is by invitation only, and that is for the entire U.K. So from my view, that was a group with some very experienced individuals. The Assistant Director for Strategic Planning and Estate Management has a wealth of private sector experience, with his previous role being one of the largest private sector development and property companies in the U.K. and his experience covered all parts of the spectrum, including strategy, management, acquisitions, disposals, and including a number of significant projects. In summary, in my view, they are not stupid individuals, they have not had a temperament transplant when they crossed the water to come here. They are exceptionally motivated to achieve change in how we do things and to bring the States into the 21st century. In my view, the States are exceptionally well served by the team it has in place, especially given the difficulties we encounter. I hope that answers the question. If there is any doubt, yes, I do have full confidence in the management team.

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

Just a final supplementary relating to St. James'. There is a planning application notice fluttering in the breeze outside the vicarage. Could the Assistant Minister explain why, given the uncertainty with regard to that property, Property Holdings Department is currently investing in a refurbishment of the vicarage?

**Deputy J.A.N. Le Fondré:**

I will have to get some more details on that one. I was aware there were some health and safety issues that were done at St. James'. Whether it was in the church or at the vicarage, I will have to come back to you on that one.

## **2.6 Deputy G.P. Southern of the Minister for Treasury and Resources regarding the introduction of the zero component of the Zero/Ten policy for non-finance companies:**

Will the Minister explain the logic behind the introduction of the zero component of the Zero/Ten tax policy for non-finance companies; give the latest estimates of how much revenue will be lost through zero-rating non-local companies in 2010; state what measures are under consideration to recoup this revenue; and provide a list of non-finance, non-local companies trading on the Island whose turnover is greater than the G.S.T. (Goods and Services Tax) threshold of £300,000 per annum?

### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

As the Deputy will be aware, these issues have been discussed in this Assembly many times, but I will do my best to summarise. As the Deputy will recall, Zero/Ten was introduced to replace the previous regime, some aspects of which were found to be harmful as they were only available to non-residents. To ensure Jersey's new regime was not harmful, the same tax treatment had to be given to Jersey residents as non-residents. It is important to ensure that Jersey can continue to provide a tax neutral environment, as of course many finance centres do, and so can continue to compete in the international financial sector. To be able to provide a tax-neutral environment to international investors, using a zero rate, the same rate had to apply to Jersey-owned companies. The zero rate also had to be our general rate, and so had to apply to most companies. The best estimate that we have for loss in tax revenue from zero-rating non-Jersey, non-finance companies was, as has been many times repeated, in the region of £15 million to £20 million. The expected loss from Zero/Ten was addressed with G.S.T., I.T.I.S. (Income Tax Instalment System), 20 means 20, and boosting economic growth.

[15:30]

Proposals to address the loss from non-finance companies are under consideration, as set out in the business tax consultation document. It would, however, be wrong to make any announcement on that issue while we are engaged in consultation and, of course, before the E.U. (European Union) Code of Conduct Group has completed its assessment of Zero/Ten, which is now underway. Financial information on specific taxpayers is confidential and cannot be disclosed by the Taxes Office.

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

Surely there is a list in whoever deals with G.S.T. compliance of those companies paying G.S.T. because they are over the £300,000. What confidentiality is achieved, or is necessary, in terms of revealing how many companies, and what companies, are on the Island trading tax-free?

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

I am more than happy to ask the Comptroller for data on the number of companies, *et cetera*, but any naming of companies that the Deputy asks me to do, I am afraid, is not possible. I never discuss any names of companies with the Taxes Office. That is information that is subject to confidentiality, of which there is an oath of confidentiality which is sworn in the court next door.

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

Could I ask whether the imposition of the zero rate is a result of the zero rate which used to apply to exempt companies or to many I.B.C.s (international business companies)?

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

I am not sure that I understand the question. If the zero rate is the result of the zero rate which was a part of I.B.C.s? Well, clearly, Jersey offered a zero rate in terms of its previous corporate tax regime in order to preserve tax neutrality. That is fundamental to what Jersey does in terms of being an international financial centre. With the absence of double tax treaties around the world, we achieve tax neutrality through a zero rate. This is something which is well understood, and I am surprised the Deputy does not understand it. But if he would like a tutorial on it, I am happy to have him in the Treasury to do it.

**2.6.3 Deputy G.P. Southern:**

The Minister is often offering to give me a tutorial on this, that and the other. Another point of a little confusion that I may be suffering from: certainly, in the back of my head I had a figure of between £7 million and £10 million lost from zero-rating for non-finance, non-local companies. I am quite surprised to hear him saying twice that figure, £15million to £20 million now, when the total loss from non-finance companies originally estimated was only £30 million to apply to all non-finance companies?

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

The Deputy and I have exchanged words in the Assembly before about the importance of not rewriting history. I do not think there is anything new in what I have said today in relation to the losses in terms of non-foreign-owned corporations operating in Jersey that previously had a tax rate of 20 per cent or less, and we all are concerned in trying to find a solution to recovering some of that tax. There have been the Blampied proposals which unfortunately were not favoured, which the Deputy agrees with. After the code of conduct assessment process has been completed I will continue the work knowing what the code of conduct has to say about our tax regime. I will work to continue to find a way of recovering some of that lost revenue.

**2.6.4 Deputy M. Tadier:**

The Minister will be aware that the finance industry, like any business in general, needs certainty in its operations. Would the Minister acknowledge that, far from providing certainty, Zero/Ten and its future at the moment is unknown and it is in that sense precarious? Would it not be better to bring forward as soon as possible, first of all to scrap Zero/Ten, rescind that and to bring in a sensible and a stable taxation, which is acceptable both to locals, to businesses, and to the E.U., so that businesses on the Island can have something which is going to be workable for the foreseeable future?

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

Deputy Tadier is also in the tutorial group. He needs to understand, I think, the reasons why international finance... how it works and what Jersey's place in terms of international finance is. If he is suggesting that a change in tax, and lifting everything to a standard rate of tax in Jersey is the solution to give certainty to Jersey's prosperous future, then I am afraid he really does need to go and do his research. In terms of stability and certainty, what I can say is there is absolute clarity in relation to

that. Jersey provides tax neutrality to users of financial services or the underlying users of financial services, and we will continue to do so whether or not there are any changes in relation to Zero/Ten. Zero/Ten was the right tax regime for Jersey. It has been the bedrock of the continued development of our finance centre, and I am confident that it still remains appropriate and is in accordance with the code of conduct and is code compliant. But we will see what the assessment brings in relation to that.

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

I will be very happy to go for a tutorial with Deputy Southern, but the tutorial certainly will not be given by Senator Ozouf with his questionable credentials in economics. I will simply ask the Minister, was there ever anything in writing from the E.U. to say that Zero/Ten was going to be compliant, and if that is the case, can he furnish it to Members of the States and to the public? Because this is constantly what we are hearing, and if not, will he acknowledge that in fact Zero/Ten has been built on sand? We were advised in the past that it was not sustainable and this has come back to bite us, and it will affect the finance industry, and it will be because of the Minister and his advisers.

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

I do not think anything that I say in this Assembly is going to shift Deputy Tadier's position. I have to say, from everything I have ever seen in relation to Zero/Ten and the reasons why we changed it, it was the right decision. He is wrong, I would say, in suggesting that Zero/Ten was not the appropriate move for corporate tax. I remain of the strong view that Zero/Ten can still be and should still be a feature of our tax system. However, we welcome the code of conduct assessment in relation to Zero/Ten, and we are not alone in the issue of Zero/Ten as Guernsey and the Isle of Man also adopted similar Zero/Ten. So clearly, if he thinks that we are wrong, then he is also saying the Isle of Man and Guernsey were wrong too.

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

I think some Members may be a bit confused by some of this. The Minister implied that international business companies and exempt companies paid no tax at all. In fact they paid a flat fee of a few hundred pounds for each company and in aggregation they gave us money. The actual Zero/Ten tax rate has meant that many non-resident companies that previously paid tax are not paying tax at the present time, and therefore there is a loss to the Island. Would he not confirm that is the case?

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

All of these issues have been ventilated, discussed and debated in this Assembly on numerous occasions over a very long period of time. Any suggestion ... Some of those questions that are being made, in my view, attempt almost to rewrite some history. It is absolutely clear that the move to Zero/Ten cost the Jersey exchequer in the region of £100 million and we needed to put in place arrangements to do that. There was no choice but to do that. If we had not changed our tax regime when we did, a few years ago, then we would not have had the growth and continued presence of financial services in Jersey. Any changes that we make on corporate tax, if we do find a way of taxing those foreign-owned corporations that have activities in Jersey, then we will do so.

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

The Minister did not really answer the question. I asked him about, for example, exempt and international business companies, and whether they did pay tax previously. He implied that they did not.

**The Deputy Bailiff:**

The Deputy is making a statement rather than asking a question. Deputy Southern, final supplementary.

**2.6.8 Deputy G.P. Southern:**

Will the Minister for Treasury and Resources agree to ask the Director of G.S.T. for the number of companies which are trading on the Island with a turnover of greater than £300,000?

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

I certainly can, but I am not sure how it is going to help the Deputy in seeking the information he has, but I am certainly happy to ask the question.

**2.7 Deputy T.M. Pitman of St. Helier of the Minister for Economic Development regarding ‘wild cat’ industrial action by Condor staff at the Harbour:**

Having spoken to the Minister, I did feel that perhaps I should withdraw the question, but in fairness to the company I think I should go ahead. Would the Minister clarify whether so-called ‘wild cat’ industrial action was taken by Condor staff at the harbour at the beginning of September 2010, and if so, what were the reasons given for this?

**Senator A.J.H. Maclean (The Minister for Economic Development):**

I can confirm that there was no industrial action taken by Condor staff at the harbour at the beginning of September 2010. In fact, I am advised that in the history of the company, Condor’s staff have never taken any industrial action.

**2.7.1 Deputy T.M. Pitman:**

I thank the Minister for his answer. While one always wishes to take contacts from staff and members of the public in good faith, I am happy with that answer, that the information I received was the result of crossed-wires. Nevertheless, could I ask the Minister if he can confirm that harbour staff did in fact stop work at the beginning of September due to a health and safety dispute, which may have led to this confusion?

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

No, harbour staff did not cease work, although the stevedores did, under the standard operating procedures at the harbour. They stopped for about 15 minutes, the issue was quickly resolved. It was no more than an operational matter.

## **2.8 The Deputy of St. John of the Minister for Economic Development regarding the targeting of public funding:**

What merit, if any, is there in allocating taxpayers' money, in the form of large grants, into large companies and enterprises that employ 90 per cent of staff from off-Island who are paid near minimum wage and thereby pay little tax, and what action, if any, is the Minister taking to ensure that public funding is targeted effectively?

### **Senator A.J.H. Maclean (The Minister for Economic Development):**

My department is tasked to deliver sustainable economic growth that will underpin the future of a more diversified Jersey economy. Given the constraints on access to finance via traditional routes such as the banks, it is important that the States provide, where appropriate, alternative funding channels that will encourage investment. As Members would expect, applicants for grant funding have to withstand a rigorous approval process. Recent States internal audits recognise that the evidence-based approach that various parts of the department use in evaluating grant applications represent a transparent and effective means of considering each case against the individual merits. So yes, at the moment I do support the process that is underway and currently in place.

### **2.8.1 The Deputy of St. John:**

Given that it is raining for everybody in all industries on this Island, and given that large conglomerates are claiming area payments in excess of £300,000 to one grower, or £225,000 plus given to a society to deal with breeding of animals, or a grower over a 4-year period having in excess of £180,000 in grants: all these people - all these conglomerates - have large sums of money tied-up in property and the like, many millions of pounds. They are property rich, and yet the taxpayer of this Island ... will the Minister look at why the taxpayers of this Island have to maintain grants to people and companies of these natures, when everybody else has to tighten their belts? It is time that these grants were reduced. Will the Minister look into this, please?

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

I understand entirely where the Deputy is coming from with regard to this. It is absolutely right that we continue to look for value for money for all grant funding, public money that is put into grants to support local businesses in this way. What we are seeking to do, clearly, is to encourage investment in the business sector, and in many cases, grants will deliver that result. In the case of the agricultural industry, we have seen something in the region of £30 million invested in recent years. That, if anything, is an example of where grants in the agricultural industry have shown a positive response. Clearly, the industry is turning a corner. It is a difficult economic climate, and I would hope that the Deputy, more so than anyone, would not wish to take away the opportunity for the industry to become more self-sufficient as we continue to remove and reduce grants in the future. Over the last few years, grants to agricultural industry have reduced by nearly £2 million and that will continue as we move forward.

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

In the Minister's answer he mentioned the reason for the large use of the grants as being the fact that funding cannot be obtained from the banks. At previous times I have asked questions of the Minister asking why the banks are not lending, or how much money the banks are lending, and so on, and the Minister indicated that he was

having regular talks with the banks. Can he give us an indication of the talks that he has had recently with the Jersey Bankers Association, and also, would he undertake to provide figures for the level of bank lending so we can monitor how much money they are putting into the economy?

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

I have ongoing discussions with bankers on a fairly regular basis and, clearly, access to funding is a matter of concern within the business community in the Island, and I have to say, not just within the Island, this is an issue that Members will appreciate is relevant to the U.K. and many other places around the world.

[15:45]

It is essential that we do all we can to facilitate funding for businesses, to ensure that we get extra and valuable investment where banks are not, in the current climate, prepared to provide such funding. They are, if you like, more conservative in their funding requirements and lending requirements. But in terms of providing some figures to the Deputy, I will see if we can provide figures which can be circulated with regard to levels of funding, this year versus last from a comparative perspective, if that is helpful.

### **2.8.3 The Deputy of St. John:**

Given the Minister mentioned some £30 million had been given in grants to this group of businesses in recent years, and given that the horticultural and agricultural industry in 2007 only paid £3.7 million in tax returns to this Island - I could not get the figures for 2008 or 2009, but I have an email from the Comptroller of Income Tax saying it would be a similar figure, year on year - can it be right that we should be pouring so much money into this area? Can it be right that, in trying to uphold an industry which do a fair amount of damage, will the Minister agree that the Island could be kept green and clean by not having a lot of these grants, and allowing more horse society people taking over land and keeping the Island green? Will he agree that he needs to look at this with some urgency and not necessarily have big tractors, hundreds of them, brought into this Island annually at great cost to the taxpayer, and we are getting, in real terms, no return?

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

I think the Deputy misunderstood what I said. I did not say we had £30 million of grants. What I said to him was that the grants that we have facilitated in recent times have delivered £30 million of private sector investment into the agricultural industry. That, I said, is a good example of where grants have helped, not only to give confidence to the agricultural industry, but also encouraged investment. The agricultural industry, as I have said, is turning a corner. I think, like a child that is learning to walk, do we take away its support at this precise moment? No. I do not think the Deputy would do such a thing to a child and I do not think it is right that we should. We are in a position where we are moving now to independence for the agricultural industry, where we are removing grants over a period. We have consistently done so and will continue to do so, but it has to be a phased approach.

### **2.8.4 The Deputy of St. John:**

Given the Minister's reply, would the Minister look closely at what is happening in New Zealand, where, in fact, grants were removed some years ago and the agricultural and horticultural industry is on a high, unlike other parts of the world, and

particularly in Europe where they are heavily grant-aided and they are having difficulties. Would the Minister and his team look at that with some urgency please?

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

Yes indeed, and I can confirm to the Deputy that we do indeed look at what other parts of the world are doing in this regard. It is important to have such information when considering how we deal with grants. Because, as I have said several times already this afternoon, we have already reduced grants considerably, by almost £2 million; there is a further £1 million reduction due over the next few years. He is absolutely right to be concerned, but it is being attended to, and I hope that he can rest a bit more assured, based on the comments that I have made.

**The Deputy Bailiff:**

You were not proposing a site visit, were you? **[Laughter]**

**2.8.5 The Deputy of St. John:**

It would be a good idea. But could I just ask if the Minister could declare an interest, being that, because, out of what has been said, I am given to understand that he would probably receive money indirectly from the E.U. for agricultural purposes on some of his property. Thank you.

**The Deputy Bailiff:**

There is no interest to declare, because we do not receive money from the E.U.

**The Deputy of St. John:**

On a point of order, Sir, the Minister did inform me that he got money from the E.U. for land he has off-Island.

**The Deputy Bailiff:**

The Minister personally? I understood the question was from the ... Minister, would you like to answer the question? Do you have land off-Island for which you receive money?

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

Yes, Sir, which is declared within the Members' interests. I do not see the relevance of it to the point that the Deputy is trying to allude to.

## **2.9 Deputy F.J. Hill of St. Martin of the Chief Minister regarding an extension of the U.K. ratification of the United Nations Convention on the Rights of the Child:**

Will the Chief Minister advise what action, if any, has been taken to seek an extension of the U.K. ratification of the United Nations Convention on the Rights of the Child in line with amendment 7 to the 2009 States Strategic Plan?

### **Senator T.A. Le Sueur (The Chief Minister):**

The position remains the same, as I stated in my previous reply on the subject to Deputy Le Claire earlier this year. A detailed assessment is being carried out - the object is compliance with the United Nations Convention on the Rights of the Child - to identify the extent to which we are already compliant, the further legislative and practical measures that would be necessary, and their resource implications. It will then be possible to develop an implementation plan with funding proposals to enable Jersey to progress towards compliance. Only then will it be possible to request an extension of ratification.

### **2.9.1 The Deputy of St. Martin:**

With respect to the Chief Minister, that seems to be the answer one gets every time, that tomorrow is always all right. In the comments in response to Deputy Le Claire's amendment last year, one of the reasons for ratification was given: "International reputation"; 192 countries have ratified, Jersey is one of the few who have not. Does the Chief Minister not think it is not showing the Island in good light, that we should be continually dragging our feet about ratifying this very important convention?

### **Senator T.A. Le Sueur:**

While, clearly, it would be better for our international reputation were that to be the case, I do not see that the Island is suffering significant reputational damage by not doing this at the present time. I think, on the other hand, it shows that, in doing it thoroughly, we are aware of the obligations under that agreement, and we will not put our name to something until we know we can comply with it.

### **2.9.2 The Deputy of St. Martin**

I was going to ask the Chief Minister, could he give Members some indication when he feels he will be in a position to seek this ratification?

### **Senator T.A. Le Sueur:**

No, I am afraid I could not. The majority of this work is done by parties outside of my authority, including the Law Officers' Department. I know that the ramifications are quite considerable, and I cannot speak for the other pressures on those departments at this time. The matter is in hand but clearly, so are a number of other pressures, and with the limited resources we have, those have to be balanced.

### **2.9.3 Deputy T.M. Pitman:**

I think the Deputy has stolen my thunder with his last supplementary. However, one of the reasons given for why this government should not support my proposals to deal with serious youth crime, i.e. the naming of serious young offenders, was that it would delay Jersey's ratifying of this convention. With what the Chief Minister has already told us, could he not at least give us some sort of window of opportunity?

Surely, a year, 18 months; surely that is possible? Otherwise, does the Minister not agree that it looks as if the government is not serious about ratifying this convention?

**Senator T.A. Le Sueur:**

No, the Government is perfectly serious about this. The matter is being considered both by an officer working group and by the children's policy group. I am reluctant to give a timescale which I cannot at this stage justify, and until I am more certain of the timescale involved, all I will say is, it is not yet available.

**2.9.4 Deputy M. Tadier:**

It is a shame that we do not have the same appetite to ratify human rights conventions that we do for T.I.E.A.s (Tax Information Exchange Agreements), then we would probably be in a very different situation. I would ask the Chief Minister, with that in mind, does he agree that we do need to up our game when it comes to human rights, in particular, ratifying the various conventions? Would he agree that it would be beneficial to the Island to make Jersey a shining example on human rights, and to create for Jersey a centre of excellence for human rights school, which would obviously entail needing to ratify one or 2 conventions?

**Senator T.A. Le Sueur:**

I think it is pretty misleading to try to compare the ratification of something like the Convention on the Rights of the Child with T.I.E.A.s. A T.I.E.A. is a very specific matter which can be dealt with on a standard international basis. Changing our legislation to make all our legislation compliant and enable us to meet the convention obligations would mean changes to significant, major primary laws on the Island. That is not something which we can do overnight. Should Jersey be a centre of excellence? It would be nice to be a centre of excellence in everything, but one has to be realistic. We are a small Island with limited resources and we have to adjust our policies accordingly, so that we can meet those obligations. In short, we need to cut our coat to suit our cloth.

**2.9.5 Deputy M. Tadier:**

Obviously, I did not mean to mislead. What I was comparing is not necessarily T.I.E.A.s and human rights *per se*, but the appetite which we have for passing these agreements very quickly and not for passing human rights. So I would simply ask again, does the Minister agree that we do need to up our game when it comes to human rights, especially in the light of the discrimination legislation, which it seems is going to be put back? Should we be upping our game, because it is important for our international jurisdiction, and the eyes of the world are looking at Jersey?

**Senator T.A. Le Sueur:**

As I might have implied, were we able to comply with this very quickly in a tentative timescale, then certainly, we would. The fact is that because of the complications of the requirements for this particular convention, it is not possible to deal with it in the same sort of timescale as a T.I.E.A. T.I.E.A.s are relatively simple and straightforward matters to deal with, so it is not a question of greater appetite, it is a matter of greater complexity.

**2.9.6 Senator S.C. Ferguson:**

The United Nations Committee dealing with the rights of the child: can the Chief Minister tell us what countries are on this committee? Is this the same as the Human

Rights Committee, to which I understand such countries as Sudan and Iran are on the committee?

**Senator T.A. Le Sueur:**

The simple answer is that I am afraid I do not know which countries are members of that committee. If the Senator wishes to know, I shall endeavour to find out and advise Members in due course.

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

Just a final word. Just for Senator Ferguson's information, there are 192 who have ratified, so obviously, those 2 countries that she was mentioning may well be those who are not also in line, along with Jersey. The Chief Minister mentioned that policy groups, and I think he said, Law Officer groups, were working on it. Is it possible for the Chief Minister to give me and other Members details of those groups, so that I may be able to make direct contact with those groups in intention or anticipation, maybe, of getting them to get on with the procedure?

**Senator T.A. Le Sueur:**

Certainly, if the Deputy wants to contact the children's policy group, I am sure that the members of that group would be happy to receive a communication from him. As far as the officer working group is concerned, if he wants to make contact with that officer working group through my department, I am happy to convey that message to them. I do not know who chairs that particular working group.

## **2.10 Deputy G.P. Southern of the Minister for Treasury and Resources regarding the impact of budget spending cuts on the vulnerable:**

Does the Minister consider that annual business plan spending cuts could lead to widening inequality, as highlighted within the recent I.L.O.-I.M.F. (International Labour Organisation - International Monetary Fund) report *The Challenges of Growth, Employment and Social Inclusion*? When will he announce the proposed 10 per cent C.S.R. measures? What analysis has been undertaken to assess the impact of these proposals on households across the income bands, and what measures, if any, will be put in place to protect the most vulnerable?

### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

I do not consider - and indeed I very much hope not - that budget cuts will lead to widening inequality in Jersey. By adopting the approach set out by the Council I expect to achieve savings without a detrimental impact on key frontline services and those which the less well off are particularly dependent on. By adopting an approach where we only raise taxes where necessary to maintain spending on, and invest in, key services in a manner that promotes economic growth, we will ensure that our overall approach to dealing with the deficit maximises the opportunity for all Islanders so that they can share in the future prosperity. The 10 per cent C.S.R. proposals will be announced, as I said earlier, at the same time as the budget, in late October. The Council is about to commence a series of workshops to consider the proposals which have been submitted by departments, and part of the considerations will of course be the impact each proposal has on, particularly, low income families. Prior to the Council's deliberations, it is of course, impossible to suggest whether any measures are necessary, but impact on the most vulnerable in our society will, of course, be minimised throughout the C.S.R. process.

[16:00]

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

Is the Minister aware of research in the U.K., which suggests that their equivalent budget cuts over there act to the detriment of the 10 per cent least well off between 7 and 10 times greater than on the 10 -per cent who are most well off.

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

I must confess that, despite best endeavours, I could not find the I.L.O.-I.M.F. report that the Deputy refers to; perhaps, if he could pass a copy of it to me. I know that he has drawn from information that he has had from unions, particularly, and particularly I understand the T.U.C. (Trades Union Congress), in the past. I cannot comment on whether or not the U.K. Government coalition proposals affect the least well off. What I do know is the U.K. has got all sorts of financial problems, it is having to make drastic cuts in terms of public spending in order to deal with its debts; that is just the kind of thing that the Deputy wants to invite this Assembly to do in supporting P.113. That is not the path that we want to go down, these are modest changes in the round to our spending which must be made and I am confident we can make without impacting low income families and widening inequality.

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

Once again, the Minister puts words in my mouth rather than answers the question. Is he aware that the I.M.F., no less, are co-authors of this report and it is widely available on the internet and that what they suggest is that making cuts now must still

pose a risk to economic recovery worldwide? Does he have any evidence to suggest that Jersey is into recovery and therefore it is safe to proceed with cuts rather than fiscal stimulus which, as far as I am aware, we were paying into the economy up until last month?

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

I feel in this debate that I am firmly in the middle between, on the one side, Deputy Southern, who is saying that we should not be making cuts because he is worried about economic recovery and, on the other side, at the Corporate Affairs Scrutiny Panel, that he is proposing earlier cuts, raising cuts to £80 million over the next 3 years. I think the Council of Ministers has a middle path in relation to this; certainly, we are suggesting that while budget cuts have to be made they should be phased in over a 3-year period and, certainly, over the next 3 years, I fully expect the economy to return to growth and for confidence, which is already building in some of our industries, to strengthen, and so it is appropriate that we can make these cuts. I would also say that other countries with much higher levels of spending per G.D.P. (Gross Domestic Product) are going to be much more effective than Jersey is in relation to its smaller percentage of state spending as part of the overall economy. We are not in that situation and I am confident that we are not going to have anything like the difficulties that, for example, the U.K. has got.

**2.10.3 Deputy G.P. Southern:**

Refreshing to hear the Minister suggest that public spending in Jersey, lower as it is than the rest of the O.E.C.D. (Organisation for Economic Co-operation and Development), and probably worldwide but, interestingly, he failed to answer one of the questions that I asked there which was what hard evidence has he got that we are into recovery and it is safe to proceed with such wide-ranging and dramatic cuts?

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

The evidence is the quarterly Business Tendency Survey which report documents senior chief executives across the economy and their aspirations and their hopes in terms of their business orders and their contract books for the next period of time. Where we have seen, while there were certainly areas of the economy which continued to be in difficulty, and that is why fiscal stimulus was important, certainly in terms of financial services, there are awakenings of new business arriving into the Island because of the successful promotion that we carried out in Jersey and, indeed, in various other parts of the world, and the excellent reports we have had in relation to our standards, *et cetera*.

**2.10.4 The Deputy of St. Mary:**

The Strategic Plan has got a commitment of all of us to improve and promote social equality. I just want to ask the Minister how he thinks that cutting the social wage, which is what these cuts will do, promotes social equality and was the impact on different income bands part of the terms of reference of all those 6 reviews?

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

Forgive me. I did not hear: "Cutting the ..." what, sorry? I did not hear the Deputy.

**The Deputy of St. Mary:**

Was the question of how the cuts would impact on different income bands part of the terms of reference of all the 6 major reviews?

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

No, it is not and the Deputy is, I am afraid, almost forecasting what the proposals of the Council of Ministers at the end of the Comprehensive Spending Review are going to be. We are working with departments and we are going to be going through the analysis of where it is appropriate to propose cuts in spending. The Council of Ministers is committed to promoting social mobility, it is committed to promoting equality, looking after those vulnerable members of our society. We will, of course, have that as an important consideration in any of the answers that we give, but he is speculating as to what the cuts are going to be before they are announced.

**2.10.5 Deputy G.P. Southern:**

Has the Minister commissioned any research into what impact the cuts in the provision of frontline services will have, across the income bands, whatsoever?

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

I think that we could be spending hundreds of thousands of pounds on reports by academics and others telling us what we already know. This is a small Island, we have a very good understanding of what the impacts of different budget cuts are and, indeed, if the Deputy wants any external validation then I would encourage him to read the Corporate Affairs Scrutiny Panel report on the impact of the cuts that are proposed in this business plan which accompanied their C.S.R. report.

**2.10.6 Deputy G.P. Southern:**

Will the Minister thereby agree to read Appendix 2 of that report by Dr. Susan Harkness which does such comparisons across the income bands?

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

I have read it and, indeed, that would give the Deputy the answer that he wishes, that that is evidence that I would expect gives the Deputy some confidence in making the difficult decisions we have in the Business Plan that it does not affect low-income families and that it does not cause difficulty in terms of social equality. I see him remonstrating, but there is nothing that I am going to say that is ever going to agree, I think, with Deputy Southern. This Assembly needs to make decisions in order to reduce the deficit. He has ruled out tax increases, apart from the very rich, and he does not want to make any cuts at all. This is unrealistic.

**The Deputy Bailiff:**

Very well. Deputy Higgins, I saw your light but, unfortunately, after the final supplementary question from Deputy Southern, and so we are going to come on to question 11 which the Deputy of St. John will ask of the Minister for Economic Development.

## **2.11 The Deputy of St. John of the Minister for Economic Development regarding Condor's winter sailings to St. Malo:**

Will the Minister advise whether Condor's winter sailing to St. Malo on Fridays will be during the daytime rather than late afternoon or early evening, and do the terms of the Service Level Agreement, the S.L.A., require Condor to consult with the public on timetable changes? Will delays on this route be addressed and does he intend reviewing the S.L.A. or putting the French and U.K. routes out to tender?

### **Senator A.J.H. Maclean (The Minister for Economic Development):**

I understand that Condor now intends to review its plans to remove the 18.00 winter sailing to St. Malo. As such, the 18.00 sailing will now remain in its schedule up to December of this year while this review is undertaken and further customer feedback is sought. As part of their permit to operate, service level standards require Condor to carry out regular passenger surveys and to have effective procedures in place for complaints. However, they are not explicitly required to consult the public on timetable changes. This is something that may need to be looked at as part of our review of the current sea transport policy. The Deputy may be aware that a consultation has just closed on the ferry market and, indeed, this particular point is one that will be considered as part of that review as, indeed, will the other question, one part of his question with regard to tendering of the route in the future and conditions for the service standards.

### **2.11.1 The Deputy of St. John:**

Given all the Condor paperwork, which I have in front of me - and it gives all the ups for the company ... but it mentions within the facts and figures none of the downtime or none of the problems they have had over the last 12 months. Will the Minister, within any agreement or any review that goes on, make sure and look at the procedures that were put in place 10, 12 years ago when the first Service Level Agreement was put in place to make sure that the travelling public are well protected, do have a course for redress, whether it is through delays, through fire or whatever it may be, as happened earlier this year with one of the Condor ferries. Will he make sure that those items come back to this House prior to being debated with Condor in any S.L.A.?

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

I understand the concerns of the Deputy of St. John in this regard and that was one of the purposes why we have undertaken this consultation jointly with Guernsey. Of course, the sea ferry route - the sea ferry market - involves Guernsey as much as it does ourselves, between the U.K. and France. All these issues are issues that are going to be contained within the review that is undertaken as a result of the consultation. I certainly hope that the Deputy himself replied to the consultation because, clearly, he has some strong views on the matter, all of which would be useful for consideration as we form the future policy for when the current licence permit that Condor has expires at the end of 2013. That is why we are looking at these issues now so that they can be addressed and appropriate policy put in place for the future.

### **2.11.2 Deputy J.B. Fox of St. Helier:**

I was interested in your reply about Condor providing a survey with their customers. I know you provide one as the Minister but I am unaware of Condor's one and, as a

regular traveller, I would have thought that I would have known about it, as such. Could you expand further on it, please?

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

Yes, indeed. In fact, since Macquarie took over Condor, it has worked hard to try and improve quality of service. As such, it is continually surveying sections of its customers and I think it is probably demonstrated quite well by the response that has come about from its proposed schedule change. It has now decided to put off, as I have mentioned a moment ago, the schedule change; it is going to review that situation, which is going to include further consultation with customers - a survey of customers - so I think the company is demonstrating that it is listening to its customer base and, hopefully, going to react to what the customers want. Clearly, it will never be able to, like any business, satisfy all customers but it will do its best to listen carefully and provide the level of service that will meet the requirements of the majority.

**2.11.3 Deputy J.B. Fox:**

Is it in the Minister's gift to ask, in this particular case Condor, to spread its surveys a little further that it might reach more of its customers, which it might find useful at the end of the day in gathering knowledge?

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

I am sure it is as much in the interests of Condor or, more to the point, in the interests of Condor, to ensure that it satisfies its customers; the customers are the lifeblood of its business or, indeed, for that matter, any business. I am sure that the Deputy will be relieved to know that I am happy to pass on his comments and ensure he and others are included in the survey; as a regular passenger, his input is always most welcome.

**2.11.4 Deputy T.M. Pitman:**

I just wondered if the Minister could advise whether Condor is doing any research into improving the quality of engines?

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

I am not sure that question deserves a response. We are well aware that Condor has had difficulties from an operational point of view during the course of the last few months, it is working hard to resolve those issues and I am sure they will succeed.

**2.11.5 The Deputy of St. John:**

Given that the previous time Jersey and Guernsey got together to put in place a tender process on the northern routes, the entire thing finished up a total fiasco, and I sat as the vice-president of the board of the day, it was a total ... **[Laughter]** but I can assure you it was not from the Jersey end. Both Islands came to an agreement that the tender process had been won by P&O Shipping, the tender was handed out, only to be withdrawn because the Guernsey contingent changed their members of their board within 7 days and we finished up with, as I say, a total fiasco and Condor had the route.

[16:15]

Will the Minister please make sure, and confirm here today, that any agreement come to with Guernsey to do with the shipping routes north and south, that the agreement made on the day is not changed within 7 days, so it needs to be belt and braces,

watertight; anything you do with Guernsey to do with shipping is suspect. Will the Minister give us that assurance, please?

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

Unlike the good Deputy, I do not intend to preside over a fiasco. I certainly do not also share his views with regard to our relationships with Guernsey. I have very constructive meetings and dialogue with my opposite number in Guernsey, it has already led to some very positive co-operation between the 2 Islands. I prefer to focus on looking forward; although I note what happened historically, I am aware of what the Deputy has just referred to, I think we need to look forwards. We will be much better, Jersey and Guernsey, by working together in many areas, than we are working against each other and I feel certain that, with the current politicians on both Islands, it will be nothing other than positive for the benefit of residents of Jersey and Guernsey. I am sure that, moving forwards with policy for the sea routes, we will get a positive outcome which does not necessarily predispose that there is going to be a tender; that is only one of a number of potential outcomes that will need to be discussed between the Islands, having considered the result of the consultation.

**The Deputy of St. John:**

Sir, can I have a supplementary on that? It is to follow up what was said, Sir.

**The Deputy Bailiff:**

That was the final supplementary, Deputy. Deputy, will you please sit down while I am talking to you? The position is that that was the final supplementary, we have 3 further questions in under half an hour. The next question, the Deputy of St. Martin will ask a question of the Chief Minister.

## **2.12 The Deputy of St. Martin of the Chief Minister regarding a review of Article 26(1) of the Court of Appeal (Jersey) Law 1961:**

Given that in answer to an oral question on 28th April 2009, the Chief Minister stated that Article 26.1 of the Court of Appeal (Jersey) Law 1961 was different from the U.K.'s equivalent law, and that he was asking the Law Officers' Department to review the issue and offer advice in due course, will he give an update on what action, if any, has been taken?

### **Senator T.A. Le Sueur (The Chief Minister):**

Yes. I have not received formal advice on the detailed legal significance of the distinction between legislation in the United Kingdom and Jersey on the determination of appeals in criminal cases. I am advised that it is a complex matter and is still being considered as part of the substantial workload of the Law Officers' Department. I am able to inform the Deputy, however, that the statutory provision in the United Kingdom was not precisely as stated by him in his oral question in 2009. The fact that a conviction is unsatisfactory is no longer, and has not been since 1995, an express ground for appeal. Since 1995 there has been a single ground of appeal in the United Kingdom, namely, that an appeal is allowed if the conviction is unsafe. In Jersey, under the Court of Appeal (Jersey) Law 1961, an appeal will succeed and a conviction will be set aside if either, it is unreasonable, it cannot be supported by evidence, there has been a wrong decision on a matter of law or on any ground there was a miscarriage of justice. This is subject to the proviso that, if the court is satisfied that no substantial miscarriage of justice occurred, it may dismiss the appeal. It is not apparent to me that the cumulative effects of the grounds set out in the Jersey law are, in substance, very different from the United Kingdom position and I have seen no case to support the proposition that the English position which, in any event, was not as stated in the original question, is necessarily better than ours. I am not aware that the Jersey provision has been challenged in the courts as not being compliant with human rights. The Jersey Court of Appeal, as for all Jersey courts, is obliged by Article 7 of our Human Rights Law to act in accordance with the Convention rights when deciding whether or not a conviction should be upheld.

### **2.12.1 The Deputy of St. Martin:**

All I was going to say, I was going to compliment and thank the Chief Minister on a very full answer; I only wish other Ministers would take heed of the way in which to give an answer and I thank him and, no doubt, I will consider the answer in Hansard and may well come back with a supplementary, but I am grateful for such a full answer.

## **2.13 The Deputy of St. Mary of the Chief Minister regarding the provision of organisational charts of departments:**

Will all Members be provided with organisational charts of departments together with the ability to see what the post-holders are doing and, if so, when?

**Senator T.A. Le Sueur (The Chief Minister):**

Earlier this year, I replied to a question from Deputy Le Claire of St. Helier on this particular subject. I advised then that, in each department's business plan for 2010, which is published on the States website ...

**The Deputy Bailiff:**

I am sorry, Chief Minister, I am going to have to interrupt you. We are currently inquorate. I invite Members to return to the Assembly room as quickly as possible in order that we can be quorate. Very well, Greffier, can we please call the roll?

**The roll was called**

**The Deputy Bailiff:**

Now, Chief Minister, I am afraid you will have to start your answer again.

**Senator T.A. Le Sueur:**

Yes, Sir. Thankfully, it is a short answer, anyway, but earlier this year I had replied to a question from Deputy Le Claire on this particular request. I advised then that in each department's business plan for 2010, which is published on the States website, gov.je, there is an organisational chart, a breakdown of staffing by division with a description of work done for each division. They also contain departmental budget and work programmes which set out performance indicators and targets. On that basis, the information is available in the public domain for any Member who wishes to find out.

**The Deputy St. Mary:**

Yes, Sir. Being an independent informant, I have not checked this personally myself but I have been told that, in fact, this information is not there in the form that the Chief Minister says, but I will check it myself and, no doubt, ask another question if it is not so.

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

Sorry, Sir, may I ask a supplementary, please?

**The Deputy Bailiff:**

Yes, I am so sorry.

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

The answer that the Chief Minister gave related to my question earlier this year and also to the fact that many questions by Ministers were encouraged to be similar from the Chief Minister in as much as the context would be time-consuming and non-productive. Having had the time to look at these answers, I have had great difficulty in finding where it is that the Chief Minister is referring to these graphs and charts. Would it not be better for us all, and the public at large, to hold this Assembly to account and the Government to account? If one flow chart of hierarchical structure was available for everybody to see in one place, surely it cannot be that great a task

and surely, out of the 6,700 employees that we have, we could get one of them to do that.

**Senator T.A. Le Sueur:**

I really do not think that, at a time when we are trying to save a significant amount of public money, we should be resorting to detailed activities of the sort suggested by the Deputy. If Members do not like what is on the website, there is a hard copy of the business plan available if they go and see the departments but, realistically, the information is available. The question from Deputy Le Claire I think was intended to be very helpful in that he was pointing us to ways in which, as Ministers, we might be able to find ways of saving money and, on that basis, I can reassure the Deputy that we are aware of the contents of the business plans and we are taking them into account in our plans for making the spending reductions that he is, I think, trying to facilitate.

**2.14 Deputy T.M. Pitman of the Minister for Treasury and Resources regarding the terms of the voluntary redundancy package offer made to workers by Jersey Post:**

Would the Minister, as a representative of the shareholder, clarify whether a second voluntary redundancy package offer was made to workers by Jersey Post, was it offering reduced terms and, if so, what was the justification for this?

**Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

Sir, I would ask Deputy Noel to be rapporteur for this question.

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

As stated in the written question in answer number 16, this is a commercial matter for the board of Jersey Post and is not a matter for the shareholder. I expect all States-owned companies to be responsible and fair employers. I have not reviewed in detail any of the redundancy packages, nor is it appropriate that I do so. The detail of any redundancy is a matter between the company, individual employees and their representatives.

**2.14.1 Deputy T.M Pitman:**

I thank the Assistant Minister for his response however, as a shareholder with responsibility, could I put it to him that for the first offer, 80 people were needed, only 59 people applied for an offer of 2 weeks' pay per year served plus 20 per cent. For the second offer, 90 people were needed and the offer was reduced to only 2 weeks' pay per year, no 20 per cent. Only around a dozen applied, but this is the crux of the matter: people with long service who applied were refused on the basis that they did not fit the criteria so, in effect, the more loyal you had been to Jersey Post, the less they valued you. Could the Minister comment on that and whether he is not concerned with the responsibility as shareholder?

**Deputy E.J. Noel:**

To repeat, the terms of a redundancy package, be it voluntary or compulsory, is between the employer, the employee and their representatives. It is not for this House to try and micro-manage our wholly-owned subsidiaries. I think we are in an area where we are starting to tarnish the credibility of this Assembly in the minds of the public. We should be setting policy and direction and not micro-managing.

**2.14.2 Senator A. Breckon:**

Is the Assistant Minister aware that costs of Jersey Post, such as redundancy, executive salary, directors' fees and the like, are of concern to the public when service cuts are being proposed and does he think that the Minister for Treasury and Resources and himself should be more accountable rather than giving glib answers?

**Deputy E.J. Noel:**

Jersey Post, like many other postal services around the world, is facing an ever-increasing changing world. Jersey Post is grasping the circumstances that it is faced with and, unfortunately, voluntary redundancy packages will be part of their solution.

**2.14.3 Senator A. Breckon:**

A question, if I may come back to this. Does the Assistant Minister for Treasury and Resources and the Minister for Treasury and Resources think, in light of that, they

should be more accountable as to how public money, which is what it is, is spent rather than giving glib answers?

**Deputy E.J. Noel:**

The Treasury Department do hold the wholly-owned subsidiaries to account, they do hold regular meetings with those companies and so, yes, their feet are pushed towards the fire, but it is not our job to manage those businesses, it is the job of the management the directors of a business - to manage the business, not the Treasury and Resources Department.

**2.14.4 Senator A. Breckon:**

If I may come back. Does the Assistant Minister agree that he has some responsibility to the public as to how this money is spent rather than giving glib answers?

[16:30]

**Deputy E.J. Noel:**

I thought I had made it quite clear that that is exactly what we do: we have regular meetings with the subsidiaries and hold them to account, we do not micro-manage their businesses.

**2.14.5 Deputy M.R. Higgins:**

I would like to follow through on Senator Breckon's point about the concern. The public is very concerned about the future of Jersey Post and I think it would also be very concerned if it realised that the Chief Executive of Jersey Post earns £179,000 a year and has a turnover of £65 million whereas the head of the U.S. (United States) Postal Service earns £175,000 and has a £30 billion turnover. I think it would be most concerned about some of these figures and the way that this organisation is run. I believe that Ministers should take responsibility and make sure we have a properly-run service.

**Deputy E.J. Noel:**

No. I do not agree. The remuneration of the board of all the wholly-owned subsidiaries of the States of Jersey is subject to the Remuneration Board Committee. If I may delicately suggest, I believe that such questions in this question time, we have had 5 written questions today and one oral question about Jersey Post from members of a sub-panel of Scrutiny that are currently carrying out a review of Jersey Post ...

**Deputy M.R. Higgins:**

Can I interrupt? That is incorrect, I am not a member of the panel.

**Deputy E.J. Noel:**

No, you cannot interrupt. I would suggest that these types of questions should be undertaken in the formal Scrutiny process and not in this Chamber.

**2.14.6 Deputy M. Tadier:**

In that case, I will declare an interest because I am on that sub-panel; nonetheless, I think it is still valid that I be allowed to ask a question because these are separate roles. I would like to ask the Assistant Minister if he does acknowledge that it is misleading to talk of micro-management and the fact that we should not be intervening. Does he acknowledge that there is a nuance that the Assembly, on the

one hand, is a government and it may or may not be correct for us to micro-manage but, as a shareholder and the Minister for Treasury and Resources and the States Members who are represented by that shareholder, is it quite valid for us to ask these questions and that should not be confused with micro-management. Will the Assistant Minister therefore take those disparaging remarks back when a States Member is doing their job that they should be doing?

**Deputy E.J. Noel:**

I can only repeat that we should be setting policy and direction and not micro-managing.

**2.14.7 Senator S.C. Ferguson:**

Does the Assistant Minister not think that, perhaps, he should take notice of the operations of the New Zealand Post Office, which went through the same angst some 10 or 15 years ago, and turned in a profit this year? Perhaps he should but does he not think that, perhaps, he should be discussing companies like that with the Jersey Post management rather than going through the ... does he not think that there is room for a solid discussion on these matters rather than Jersey Post going off in all sorts of different directions, like Ship2me and MeMo?

**Deputy E.J. Noel:**

I agree with Senator Ferguson. Jersey Post needs to grasp the circumstances that it is facing. Postal services around the world are in decline, some diversification of their core business will be required. In my own personal view - and it is a personal view - the MeMo and the Ship2me, as an accountant looking at their business plan, did not stack up, but that is a personal view.

**2.14.8 Deputy T.M Pitman:**

Deputy Higgins has now stolen my thunder from my figures, however, could the Assistant Minister not at least comment? I know there is precedent for this because, after all, we are happy to pay a gentleman more than Barack Obama to turn our Waterfront into something less attractive than Beirut, however, is it not a concern to him, as being responsible to the shareholders, that the C.E.O. (Chief Executive Officer) of Jersey Post earns more than his equivalent for the biggest postal service in the world?

**Deputy E.J. Noel:**

We require Jersey Post's board of directors, along with all the other States-owned companies, to provide efficient, effective and affordable services to Islanders while providing an appropriate return to the States as a shareholder. The remuneration of executive directors is a matter for that company and the other States-owned business companies' remuneration committees. The Jersey Post Remuneration Committee sets the framework for the remuneration of the company executive directors. The committee comprises of at least 3 independent non-executives, the committee produces an annual report of the company's remuneration policy and practices and that would form part of the company's annual report. We should not be meddling in these affairs.