

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

### **7.1 Deputy R.G. Le Hérissier:**

Could the Minister for Economic Development inform the House whether he has assessed the degree of expenditure that occurs at the harbours and airport; he has assessed the degree which goes towards the management of those 2 particular functions? Given that he probably has done this, could he say how it compares with comparable authorities?

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

Sorry, I got interrupted in that. Yes, indeed, a significant amount of work has been undertaken at both the harbour and the airport looking at not only the organisational structures but also the financial positions of both organisations. Reviews have been undertaken by organisations such as Deloitte. On the basis of that, comparative work has been done with relevant airports and ports for that matter around the U.K. There is continuing work in order to improve the performance. What I would say is that both ports, but particularly the airport, face significant challenges over the coming years. There is a funding gap up to 2023 of £108 million. We are working hard to put in place provisions to reduce that. If we can deliver all the savings that are identified then that will reduce to somewhere around about £60 million.

#### **7.1.1 Deputy R.G. Le Hérissier:**

A supplementary. The question was about management costs. Could the Minister inform us if he has management costs as a percentage of expenditure for both jurisdictions?

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

I am more than happy to give the Deputy more detailed information. I will happily circulate it to him. I do not have at my fingertips the exact percentages but if he and Members would be interested I am more than happy to circulate that.

### **7.2 Deputy M. Tadier:**

Will the Minister confirm whether there have been any changes taking place to the free public WiFi access at the airports and, if so, what they are and if this also applies to Jersey Harbours?

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

I believe that Jersey Telecom is going to be installing a system there at the airport which will be available for passengers who are moving through the airport.

#### **7.2.1 Deputy M. Tadier:**

A supplementary. My understanding - and I appreciate the Minister may not have the full details - was that up until now there has been free public access but it seems to me that this has either been stopped or requires some kind of registration process. Maybe if the Minister can provide details because I think that is a value-added service which has been operating up until now for both tourists and residents and it would be a shame to lose that.

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

Indeed.

### **7.3 Senator F. du H. Le Gresley:**

Would the Minister agree with me that for the last 25 years the Jersey Business Venture has been providing a very important service to small businesses and budding entrepreneurs and that they offer excellent value for money for their grant of £130,000 from his department?

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

I do agree entirely with the Senator. What I can tell Members is that there have been discussions ongoing for some considerable time between my department and Jersey Business Venture with a view to the way in which we deliver support and services to the business community. There is every possibility that both Jersey Business Venture and Jersey Enterprise will enter into a joint facility which will be more cost effective and deliver, I believe - and I believe the board of Jersey Business Venture believe as indeed my department does - a far better and more rounded service at a more cost effective rate to local businesses.

### **7.3.1 Senator F. du H. Le Gresley:**

A supplementary, very quickly. Would the Minister, therefore, confirm that it is not his intention to wind-up the Jersey Business Venture?

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

That is not what I was saying. What I was saying was that discussions have been ongoing - constructive discussions - and it is my understanding the board of Jersey Business Venture and officers from my department are close to an agreement where the 2 entities will effectively merge and deliver services from one single point which I believe will be to the interest and benefit of local businesses.

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

Could the Minister confirm or deny that the master of the Duke of Normandy has tendered his registration and the current master has no residential qualifications?

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

I can confirm that the master has tendered his resignation and currently there is a contract relief master in charge of the vessel and the position is being reviewed on an ongoing basis while a recruitment process is undertaken in order to find a full-time and permanent replacement.

### **7.5 Deputy J.A.N. Le Fondré of St. Lawrence:**

Could the Minister confirm whether or not any decision has been made in respect of our much valued lifeguard service? In particular, will he guarantee that the level of individual experience offered by any new provider will be the same as that already enjoyed by our many beach users?

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

I can already sense the good news of the Deputy moving to the other side of the House. Yes, first of all I have stated on several occasions so far this year that the beach lifeguard service, highly valued as it is, is under review. It is a review. It is nothing more than that. We are considering and are in discussion with organisations such as the R.N.L.I. (Royal National Lifeboat Institution) in order to deliver if they were selected or whoever is selected to run the service. It could well remain as it is but if it happens to be the R.N.L.I. or anybody else, that an equivalent level of service will be delivered to ensure the safety of members of the public on our beaches. Safety is of paramount importance. It will remain this case. I have been surprised by the comments in the media about the R.N.L.I. Members might be interested to know they cover 147 or more beaches in the U.K. They are an extremely professional organisation and, as I say, ongoing discussions with them about possibly providing a service but it will be an excellent service that will be maintained on the beaches at a similar level to is currently the case.

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

Would the Minister please update us on where we are with the Sea Routes Green Paper and the results and where we are going to go, the timescale of making the improvements that we are all seeking to achieve and the safety obviously?

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

Yes, indeed. The consultation has concluded as the Deputy knows. We have sought Condor's response to the issues raised in the Green Paper. We are in discussions with Guernsey who the consultation was jointly held with. I have a political meeting which is being drafted for next month, February, with Guernsey in that matter. I intend to come to the Assembly so that Members can have the benefit of a statement as to the position when it is clarified following those discussions.

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

My original question was asked by my colleague, Deputy Le Fondré, but I will ask a question about Jersey Business Venture. Can the Minister assure me that the people that are employed at Jersey Business Venture will not be made redundant; that jobs will be found for them within Jersey Enterprise if the 2 are going to join? They have a wealth of experience and knowledge. It would be a shame for them to be made redundant.

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

There is no intention to look to redundancy with regard to staff of Jersey Business Venture. Indeed it will be up to them to decide whether or not if indeed the 2 entities do merge they want to come across. But I do agree with the Deputy there is a wealth of experience there. The Jersey Business Venture has built up over the years a very good reputation. I think if the merger were to go ahead it would add significantly to the delivery of support for local businesses.

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

In the light of ever-increasing unemployment figures, can the Minister point to any sector of the economy where recovery has been established and jobs are being created?

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

Indeed. I can point in the latest figures the agricultural sectors saw the G.V.A. (Gross Value Added) increase. It was the one sector that interestingly did buck the trend, as the Deputy said. Indeed jobs as well are being created in that particular area. But it is not the only one. There are other areas of the economy which are beginning to show signs. The latest business tendency survey that came out, looking forward 3 months, showed increased confidence in the financial services industry which is an encouraging sign. I hope we can see it permeating out into other areas of the economy as the year progresses.

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

If I may a supplementary. Does he recommend then that civil servants sacked over the coming 2 years take up jobs in agriculture?

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

I barely think that is a question worth answering. There is a level of change required in the public sector. The Deputy should be well aware of that. This is not unique to Jersey what we are seeing at the moment. We do need to ensure that we provide the best quality, best value services we possibly can and that will unfortunately, in the future, require change.

#### **7.9 Deputy A.K.F. Green:**

I just wonder if the Minister could explain to the Assembly his plans to change legislation or regulations which will allow U.K. and Jersey companies to merge and whether this is likely to have an effect on our income in terms of taxation?

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

Yes, the proposal effectively is another tool for the financial services industry. It allows the opportunity for more financial services businesses to be driven by the mergers which currently are not allowed under the legislation. It is an improvement effectively in the companies' law.

We have one of the most modern companies law, as the Deputy I am sure is aware, but we do need to continue to update it. This is merely an updating process to ensure we are competitive with other jurisdictions.

**7.9.1 Deputy A.K.F. Green:**

Is the Minister saying that this regulation will apply only to the financial services industry or will it apply to retail and other similar services?

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

No, I am not. It will apply elsewhere. But what I was pointing out to the Deputy was the fact he asked the question about tax revenues. The greatest financial return is likely to come from that sector, hence, my focus if you like on that particular point.

**7.10 Deputy M.R. Higgins:**

Following on from Deputy Le Hérisier's earlier question on airport costs, does the Minister think that it is appropriate for the management of the airport to host and fund a dinner at the Radisson Hotel on, I believe, the 28th January, to thank those responsible for bringing in the new traffic control centre when they were, first of all, just doing their job and, secondly, air traffic control assistants are going to be made redundant by it? Secondly, can he tell us what the cost of this function is going to be?

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

In reverse order, with regard to the cost the detail of the cost fell within budget. I have not got the exact detail but I am more than happy to let the Deputy have that detail if he wishes. Do I think indeed that a dinner should have occurred? Yes, I do. I think those that were involved in delivering that project deserve to be rewarded and it was absolutely right they were recognised for doing the good work that they did. I would point out that the airport has a significant amount of challenges ahead with regard to its finances running into tens of millions of pounds. I pointed out earlier on a funding shortfall for 2023 of £108 million. I really feel the Deputy is in the weeds if he is worrying about a few hundred pounds.

**7.10.1 Deputy M.R. Higgins:**

A supplementary. Following on, first of all, a number of the air traffic controllers were paid £500 a day additional to their salaries to come in for training. That happened on more than one occasion. He still has not answered the question is it appropriate when they are making air traffic control assistants redundant? Is that a slap in the face for them as well?

[14:45]

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

No, it is not. It is an entirely different matter. As far as I am concerned this is rewarding those that were involved in a very important project, that delivered this important project and they delivered it in a way that, I think, the whole Assembly should be proud of. We are by delivering that project maintaining an income stream for the C.I.C.Z. (Channel Islands Control Zone), the control zone. We get around about £5 million a year for that. It is absolutely right and proper these people were rewarded in the way that they were. It was a buffet affair. It was not of significant cost and I really think it is not worthy of discussion any further.

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

I am astounded at what I have just heard. Sea routes. Given the current operator has been giving a very poor service on the north and south sea routes over recent months with engine failures and other problems, which seem to go on for ever, and the general public are getting really tired of the entire problems which we had - this is a repetition of what happened a number of years ago when we put the entire route out to tender - is it the Minister for Economic Development's

intention when the route comes up for review to put the route out to tender for the north and on the south route to have more than one operator tendering?

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

There is no decision taken on that particular point yet. The tender if it were to happen relates to the period at the end of 2013. December 2013 is when the contract comes up. Clearly there will be a lead-back before that. So it is a little bit early to be saying what we are intending to do. That is an option that could be considered, however, we would do that in conjunction with Guernsey who we undertook the consultation with. I am disappointed. I am as disappointed as the Deputy with the service that was delivered last summer. Condor had a lot of difficulties. Prior to that, following the purchase by Macquarie of the Condor business, I had seen - and I think the public had seen - a significant improvement. I hope we are going to see a return to that level of service during the course of this summer.

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

A supplementary. Given that the Minister mentions working with Guernsey. Given the previous time we worked with Guernsey on that route on that tendering process, both Islands agreed to have a different operator and Guernsey reneged on that deal so we finished up with the operators we have today, should the Island not be doing its own thing, Minister, and making sure the people of Jersey are looked after not the people from other Islands?

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

The people of Jersey will be looked after. It is certainly my intention that although we work with Guernsey, we do not forget that we have a far greater interest, for example, in the southern route than perhaps Guernsey does. But it is absolutely right that we have discussions with them at the moment. The consultation jointly held with Guernsey was the right thing to do. It was interesting looking at the consultation results. I will pick on one which is relating to fares. Two-thirds of Guernsey respondents were satisfied with fares; two-thirds of Jersey respondents were not. By using that illustration I agree with the Deputy. Yes, we must look after the interests of residents of Jersey and we will do.

**The Deputy Bailiff:**

I am afraid the time for questions without notice has now reached its 15 minutes for the second session or just over that and time is now up.