

3.6 Deputy G.C.L. Baudains of the Minister for Treasury and Resources regarding the extent of States ownership of property and infrastructure at La Collette:

Would the Minister advise of the extent of States ownership of property and infrastructure at La Collette, provide details of the lease with the fuel companies and advise whether the lease provides any safeguard for the continued supply of high octane petrol?

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

I have distributed to Members a plan of the whole area of La Collette that shows the extent of the public land ownership. The network infrastructure at La Collette such as roads, sewers, *et cetera*, is managed by the Transport and Technical Services Department. T.T.S. (Transport and Technical Services) also has ownership of the maintenance responsibility of fire-fighting equipment to the fuel farm. The public does not own any of the fuel farm operational plant or the equipment on the site. The public has a 10-year ground lease with Esso Petroleum Company Limited and La Collette Terminal Limited which expires on 31st January 2016. The current lease does not provide any safeguard for the continued supply of higher octane petrol or any other fuel type. However, I am taking some further advice on this issue with regard to improving the Island's fuel security for the future.

3.6.1 Deputy G.C.L. Baudains:

I believe the lease is between Jersey Property Holdings and La Collette Terminal Limited. I wonder if the Assistant Minister could advise who the owners of La Collette Terminal Limited are, given the current attitude of the fuel companies towards customers.

Deputy E.J. Noel:

The current lease is between Property Holdings and Esso Petroleum Company Limited and La Collette Terminal Limited. I do not know the exact beneficial ownership of both those companies but one could assume that Esso owns one and Rubis owns the other.

3.6.2 Deputy R.G. Le Hérissier:

Would the Assistant Minister not concede that the reason we own the Fuel Farm is because fuel is seen as a strategic issue and the States therefore have a major public interest in ensuring that it flows to the right people? Would he not therefore further accept that the way in which the calculations have been made, e.g., 2,500 cars only needed based on very questionable assumptions, e.g., everyone can go and buy their additives if they are worried, e.g., Premium rather than Super should be supplied, would he not accept that he has to look very seriously at all these assumptions before he rents out the Fuel Farm to quasi-monopoly operators?

Deputy E.J. Noel:

I agree with Deputy Le Hérissier that the security of our fuel supply to the Island is absolutely vital. As I have already mentioned, under the current lease we have no mechanism to enforce continuation of the fuel supply. It just so happens that we are in negotiations with the leaseholders of the site because they want to make a substantial investment in that site. Part of any new lease that will be given we will ensure, either through the lease or through a service level agreement, that we will maintain security of supply of all types of fuel to the Island in the future.

3.6.3 Deputy R.G. Le Hérissier:

Just for clarification, does that mean when the Assistant Minister says "security of supply of all types of fuel" that he will be fighting for Super Unleaded to remain as one of those fuels?

Deputy E.J. Noel:

It means that we will be making sure that Jersey has the fuel that it needs for its economy to operate and for Islanders to live. Fuel types will change at some point in the future. There may

be a scenario where nobody uses petrol and everybody uses diesel or *vice versa*. So the fuel supply needs to be appropriate to our needs at the time.

3.6.4 Deputy G.C.L. Baudains:

I wonder if the Assistant Minister could have a chat with his counterpart at Economic Development regarding with whom we have the lease with because I have alternative answers here. According to Economic Development, the lease is with La Collette Terminal Limited, not the 2 fuel companies. Would the Assistant Minister also make available to Members the lease so that we may see what is in the current one and as he is drawing up a fresh lease, would States Members have any input into that?

Deputy E.J. Noel:

With regards to who are the lessees on the actual document; that is quite easy to establish. I am advised that it is those 2 companies. I am happy for Deputy Baudains or any other States Member to make an appointment at Property Holdings to view the actual lease. Obviously I am not going to provide copies of that lease because I am advised that it goes to several hundreds of pages. With regards to future leases, any lease that Property Holdings signs with any operator for land at La Collette is like any other lease in that it will be subject to Standing Order 168 and the 15-day rule. Therefore States Members will have an opportunity to scrutinise any lease that is signed on behalf of the public.