

Senator I.J. Gorst:

Sorry, before we start Oral Questions, Members will be aware that the Minister for Economic Development is out of the Island and his Assistant Ministers are not present either. Under 27(2) of the States of Jersey Law therefore, I would like to designate a Minister for Treasury and Resources and thereby ask him to answer question 2, which Deputy Le Hérissier has tabled under Oral Questions this morning.

The Deputy Bailiff:

All right. That is the only question, Chief Minister, is it, of the Minister for Economic Development?

Senator I.J. Gorst:

As far as I am aware, Sir, yes.

3.2. Deputy R.G. Le Hérissier of St. Saviour of the Minister for Treasury and Resources (designated by the Chief Minister to discharge the functions of the Minister for Economic Development in his absence) regarding the supply of super unleaded fuel to the Island:

What steps has the Minister taken to ensure an uninterrupted supply of Super Unleaded fuel and what contingency plans, if any, does he have in place should supplies be terminated by the current fuel suppliers?

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

I will do my best to answer this question. I was given 10 minutes' notice, but I have been aware of some background to this. The Deputy will be aware that Economic Development does not have direct authority with regard to maintenance of supply of different types of fuel in Jersey. Members will be aware that there is a related responsibility - wearing my other hat - in relation to Property Holdings, because the Fuel Consortium holds a lease for the Fuel Farm. However, all parties recognise the impact that this decision by the Fuel Consortium will have on a small group of Islanders, as well as Channel Island Motorsport. Officials have facilitated meeting between the Channel Islands Competition and Regulatory Authorities (C.I.C.R.A.), Transport and Technical Services, Property Holdings and fuel suppliers, on the issue. A statement is being issued by the Fuel Consortium, consisting of Rubis and Esso, and a working group consisting of fuel importers, wholesalers and distributors is being set up to support affected consumers and motoring associations. This has been welcomed. All parties have also agreed to work together to support Channel Island Motorsport with a view to arranging one-off imports of higher octane petrol for their events in connection with their health and safety requirements. The fuel companies are also enquiring about the logistics and costs of supplying Super Unleaded fuel directly to a number of the Islands larger forecourts, thereby avoiding the requirement for storage facilities at La Collette Fuel Farm, which caused the decision to terminate the supply of this particular type of fuel to the Island.

3.2.1 Deputy R.G. Le Hérissier:

I am sure the Minister might now have examined the consortiums arguments in some detail. Is he, as the property landlord, not surprised that 3 tanks are going to be refurbished by the middle of 2013 and by pure chance it appears that the fourth tank - in other words, the contentious tank - is going to take a year to be refurbished. Not only that, when it is refurbished, it will no longer hold Super. Does he not think that is very odd?

Senator P.F.C. Ozouf:

I am advised that there is a multi-million pound investment underway, going into the tanks at the Fuel Farm, in order to improve the standards and to comply with international post-Buncefield

regulations. There is significant investment required in the tanks. It is the tank that is currently holding this type of fuel, the Super unleaded fuel, that is needing to be repaired and the Fuel Consortium made the decision - it seems to me a sensible decision in light of these maintenance requirements - to safeguard the supply of, and the storage of appropriate quantities of fuel, for what is effectively the vast majority of the fuel requirements of Jersey. This is, while important to a minority group of people, obviously a small amount of the total supply in Jersey.

3.2.2 Deputy G.C.L. Baudains:

With the Minister wearing his Economic Development hat, I wonder if he could assist here, because it does seem to me that the fuel companies have been treating their customers with disrespect. It is more an economic issue than a supply issue. Could he tell us why the J.C.R.A. (Jersey Competition Regulatory Authority) has not been more active than they have? I have read the minutes of the meeting of 15th February. Has the Minister read those minutes and is he satisfied with the performance of the J.C.R.A.?

Senator P.F.C. Ozouf:

I am not sure that I can speak for the Minister for Economic Development, but having been the previous Minister for Economic Development and having set up the J.C.R.A., I have indeed read the minutes and I am satisfied that the J.C.R.A. moved into action, putting in the appropriate communication with individuals, facilitated the meeting and are trying their best. However, this is an issue which is clearly falling in between a number of stools. The J.C.R.A. does not in itself have the ability - as far as I understand them to be - to require the Fuel Consortium to deliver this type of fuel. Neither is there currently a service level agreement between the States and the fuel companies to supply this type of fuel. I can inform Members that with regard to new lease for the Fuel Farm - the original lease was signed in 2007. It expires at the end of 2016 - we had a discussion at the Treasury yesterday, at the extent to which we would be working with Economic Development, and other interested government departments, and the J.C.R.A., to see whether or not it is appropriate - and I cannot promise it - to put in place service level agreement in any discussions with a new Fuel Farm lease which is under discussion and would commence in 2016.

3.2.3 Deputy S.G. Luce of St. Martin:

Notwithstanding those meetings and the J.C.R.A. involvement, is the Minister satisfied in regard to the period of notice that the fuel companies have given for the withdrawal of Super Unleaded fuel? Is he satisfied that the public of the Island have had enough notice?

Senator P.F.C. Ozouf:

I think that is a very good question. Clearly the notice period that was given was not very long but I really cannot comment as to whether or not that was right in the circumstances, given what I am advised are issues in terms of important maintenance that are happening in relation to the fuel storage tanks. I understand there is a further meeting which a number of Members have been invited to, of which then Members individually will have the opportunity of asking and putting those points to the fuel companies, and they will make their own minds up about whether or not their behaviour has been unreasonable.

3.2.4 Connétable P.J. Rondel of St. John:

Given the multi-million pound investments that are required, some years ago, the Minister may recall, when we had the committee system we used to meet regularly in France, and it was floated at that time that the French authorities in Normandy were quite keen for us to have a fuel farm, or similar, over in France and a pipeline to Jersey. Has that been explored in recent times, given that it would be advantageous to us? It would free up our land and have an oil line and gas line over to the Island.

Senator P.F.C. Ozouf:

There are many Members of which the Connétable of St. John is one, who look back at the committee system with rose-tinted spectacles. There were perhaps many opportunities to discuss. The fact is, that I would remind the Connétable - and I am happy to forward him the report - the Minister for Planning and Environment is currently consulting on an energy policy. A White Paper was, I think, distributed to Members of which energy supply and energy security is a part. My own reading of that report, and the conclusions, is that a pipeline - a gas pipeline - is not affordable. It has been put forward as a suggestion, but I do not think it is affordable. I understand that there have been suggestions of a fuel pipeline too, but I just do not think that they are realistic given the market size of Jersey. But, I am happy that Planning and Environment can update the Connétable as to whether or not those things are realistic. I think it is important that we do not raise expectations on things that are simply not deliverable because of the unfortunate cost relative to the size of the Jersey market. I know he is not going to be delighted about that but I am sorry.

3.2.5 The Connétable of St. John:

Supplementary? If the Minister can find millions of pounds to be wasted on Gigabit Jersey - as we have seen in the last few weeks - could he not look again in earnest at what I have said, because there was some positive work done at the turn of the century, whether it was under the old system or under the new system? Because whilst the Minister may not like to look back and see what was done successfully, possibly it is time he started looking in the past to see what he could bring forward to the future?

[10:00]

Senator P.F.C. Ozouf:

I recall a meeting held last week when we were discussing the airport, and the Connétable suggested we should be following Madeira in relation to a 200-metre extension to the airport. I researched that and found out that the cost of any 200-metre extension, quite apart from having problems with the Connétable of St. Peter and his Parish church, would cost 300 million Euros. Sometimes these things are good in aspiration but we just simply cannot deliver. So I dismiss and do not accept the unfair and unjustified comments about the important investment in infrastructure in regards to Gigabit Jersey. I absolutely want to invest in infrastructure, but it has to be cost-effective and efficient and I am happy to debate the issues with the Connétable.

3.2.6 Senator L.J. Farnham:

The Minister partially answered the question, when he stated that a new lease was about to be issued. Would he not agree, given what he said, that it is a good opportunity now to attach a schedule or service level agreement to this? Will he try hard to do that, because the distribution of fuel is such a key product for the Island? Secondly, one final small question on the end of that. I have been informed by an officer of the Economic Development Department that it is perhaps possible that Super Unleaded fuel, as it is known, is likely to be phased out worldwide over the next few years. Could he just comment on that, please?

Senator P.F.C. Ozouf:

The answer to the first question is “Yes”. Secondly, I am afraid I cannot be described as being a “petrol head” and I do not understand the extent to which there is ... but I do understand that there are changes in the fuel market, notably the rise of ethanol and other organic-based fuels that is an issue. These are issues which can be discussed at the meeting which is going to be held, I think, on 8th March, where Members can ask the fuel companies effectively what the evolution of different fuels are. I hope I have been at least partially successful in answering something that is not within my portfolio?

3.2.7 Deputy R.G. Le Hérissier:

Just to remind the Minister of Operation Neptune in World War 2 where the British ran a pipeline - within months it was built - from Dorset to the French Coast, to bring fuel. If I may carry on, could the Minister comment on the fact that the number of vehicles identified - 2,500 - is a gross possible underestimate, simply because it is based on an average mileage in Jersey, whereas most of those vehicles, or a lot of them, will be classic cars doing very low mileage? Secondly, would he not acknowledge that all vehicles using Premium fuel could indeed use Super fuel, whereas the opposite does not apply? So, in other words, had the priority been on keeping a Super source of supply, it could have been much more useful to a much broader range of motorists? Thank you.

Senator P.F.C. Ozouf:

I am not going to try and be an expert on different types of fuel. The fact is, is that what I can say is that E.D. (Economic Development) have worked well in order to bring the consumer groups... there has been a lot of email traffic, there have been a lot of representations made. I think the fuel consortiums are well aware of the problems and the answer that I gave some moments ago is that there are alternative ways of finding solutions for this particular group of motorists - whether or not it has been underestimated or overestimated, it is still a small percentage of the overall fuel in Jersey. Alternative arrangements are being attended to and I wish that E.D. and the officials and Property Holdings will work with other interested parties in order to try and find a solution for this particular issue.