

3.14 Senator Z.A. Cameron of the Minister for Treasury and Resources regarding the diversification of the Fiscal Policy Panel:

Given that a large proportion of Jersey's budget is spent on health, social support and education, what consideration, if any, has been given to employing a more diverse Fiscal Policy Panel in order to broaden the panel's ability to report on whether the States are spending wisely?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

It is not the role of the Fiscal Policy Panel to report on whether the States are spending wisely. The responsibilities of the panel are clearly stated in the Public Finances Law and relate to financial and economic advice. The expertise required to meet the panel's remit is the domain of professional economists and I am very pleased to say that we have 4 very highly regarded and vastly experienced economists who, between them, have served on the Bank of England Monetary Policy Committee, held senior economist posts at the European Commission, and led a number of independent government reviews for the U.K. Government.

3.14.1 Senator Z.A. Cameron:

Does it concern the Minister for Treasury and Resources that the only thing the Fiscal Policy Panel could say with any certainty was that they were unable to predict the future of the economy in such uncertain times? A lot is known, however, about what sustainable health services could look like in the future and would he not agree that someone able to comment on our future health spending and its impact on the economy could be beneficial?

Senator A.J.H. Maclean:

I would agree with the Senator with respect that giving advice on how to appropriately spend the department's budget, in particular Health, where there is significant expenditure, is absolutely right. I believe that the Health Department do have that expertise available in order to ensure that they apportion their budget appropriately and indeed, if they need external advice they ensure that they obtain that advice, and that is exactly as it should be.

3.14.2 Connétable C.H. Taylor of St. John:

Does the Minister not agree that as an Island we are very lucky to have a significant number - a very large number - of highly qualified bankers, accountants, fund managers and professional people of that ilk? Could we not draw on some of their expertise as well on the panel?

Senator A.J.H. Maclean:

It is always possible that locally-based individuals with the right levels of expertise could indeed apply for a role on the panel when any of those posts become available. It is an open process. But I think Jersey can be extremely thankful that we have the high level of expertise that we currently do on the Fiscal Policy Panel. The C.V.s (curriculum vitae) of the individuals involved currently are of an incredibly high standard for a jurisdiction of this size to be able to tap into that level of expertise. It is remarkable and extremely valuable.

3.14.3 Deputy G.P. Southern:

The Minister has suggested that the brief of the Fiscal Policy Panel is wider than straightforward taxation. It is about economic advice as well. Does he accept that economic advice should be sought as to how you grow an economy through cuts and how you best revive

an economy by putting resource into the bottom end of society, rather than the top, and that trickle-down economics does not work?

Senator A.J.H. Maclean:

Is the Deputy suggesting we have trickle-down economics? Surely I do not think that is the case. We have a very successful economy. We have a very broad-based economy. There is a heavy definition and involvement with financial services - 44 per cent of G.V.A. - but Members will be aware that that industry itself is fairly diversified in terms of geographical location and product and continues to be so, and that is exactly as it should be. We have also had a significant amount of investment put into developing areas like the digital economy, which again is beginning to show encouraging signs that it can add significant value, both in terms of jobs and additional revenue more broadly in the economy.

The Bailiff:

The question is about the composition of the Fiscal Policy Panel and I am not going to permit supplementary questions on the economy generally. Are there any more supplementary questions?

3.14.4 Senator Z.A. Cameron:

When it comes to healthcare economics, there is considerable conflict of interest between the profits that corporations can make from health care versus the service that people can receive. Perhaps it would be better, in future, if we had some more clinical input rather than just from economists in this sphere; would the Minister for Treasury and Resources agree?

Senator A.J.H. Maclean:

As I pointed out earlier on, I am clear that the Health Department ensure that they get the necessary advice with regard to the apportionment of their budget, and I am sure that clinical advice is given, and is of very high quality, and that is absolutely as it should be. I do not know if I can add much more to that.