

STATES OF JERSEY

SCRUTINY COMMITTEE

BLAMPIED ROOM, STATES BUILDING

Present: Deputy Rob Duhamel (Review Chairman)
Deputy Gerard Baudains
Senator Jean Le Maistre
Deputy Phil Rondel
Deputy Bob Hill
In attendance: Dr Janet Dwyer

EVIDENCE FROM:

Environment and Public Services Committee
(Senator P.F.C. Ozouf)
Deputy J.A. Hilton
(Mr. Chris Newton - Director of Environment & Mrs.
Rosemary Collier - Senior Scientific Officer)

on

Thursday, 15th July 2004

(12:30:43 to 17:12:37)

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EVIDENCE OF SENATOR OZOUF, DEPUTY HILTON,
CHRIS NEWTON and ROSMARY COLLIER
(ENVIRONMENT AND PUBLIC SERVICES COMMITTEE)

DEPUTY DUHAMEL: Welcome. Now, before we start, I have got two things to do. The first is to read the statement. It is important that you fully understand the conditions under which you are appearing at this hearing. You will find a printed copy of the statement I am about to read on the table in front of you.

Shadow Scrutiny Panels have been established by the States to create opportunities for training States Members and Officers in developing new skills in advance of the proposed changes of government. During the shadow period, the Panel has no statutory powers and the proceedings at public hearings are not covered by Parliamentary privilege. This means that anyone participating, whether a Panel Member or a person giving evidence, is not protected from being sued or prosecuted for anything said during hearings. The Panel would like you to bear this in mind when answering questions and to ensure that you understand that you are fully responsible for any comments you make.

The second thing I would like to do is to actually read out a letter before we start from the President of the PPC regarding conflicts of interest. This letter is from Senator Ted Vibert to the President and back to Senator Vibert:-

“Conflicts of interest. Thank you for your letter of 23rd June 2004 that was considered by the PPC at its meeting last Thursday. The Privileges and

Procedures Committee considered the matter of conflicts of interest and attendance at Shadow Scrutiny Panel hearings by Members.

“As you are aware, during the Shadow Scrutiny period, Scrutiny Panels do not have the power to force any individual to attend, but the Committee does expect Members to consider shadow scrutiny as an important function deserving their respect and priority. The Committee agreed that the Panel should, in general, decide where a conflict of interest arises and that such a conflict should not exclude a Member from attending a Scrutiny Panel hearing. However, the Committee was of the opinion that it would be wrong to force a Member to participate if he or she had scrupulously declared an interest and withdrawn from committee meetings or indeed States’ meetings when the issue had been discussed. If the President of the Committee found himself or herself in this situation, it was anticipated that the Vice President of the Committee would attend in the President’s place.

“In the case of Senator Ozouf, the Committee agreed that he should be invited to the Scrutiny Panel to explain his conflict further.” It is signed by the President of the PPC Committee. I understand that Senator Ozouf would like to make a statement?

SENATOR OZOUF: Well, there has been some toing and froing about my position as President of Environment and Public Services and I thought it might be helpful if I came personally and we discussed the matter and that I explained my perspective on it and you questioned me on it as you saw fit.

I have inherited the position of being the President of the Environment and Public Services and, as such, I see a very clear rôle in abiding by the States’ decision to support and indeed promote an agri-environment scheme. I

believe that it would be inappropriate for me to be seen and to be active in promoting an agri-environment scheme at this point in 2004 because of a much closer familial connection I have with my father, who is a substantial landowner. It is quite clear to me that, in the event of an agri-environment scheme being supported by the States, all landowners would be ... it would be possible for landowners to apply for funds and whilst ... and I understand that my declaration of interest has been reviewed by Members of the Scrutiny Panel and you will note that I do not own, to the best of my knowledge and belief, land directly. Such is the connection with my father, having my political office based at his farm, having lived at my father's house for a period of time in the last two years, I think that it would be completely inappropriate for me to be seen to promote an agri-environment scheme. Hence I have asked my Vice President to take the seat as Acting President in relation to the agri-environment scheme.

I am well aware that questions may well be asked of me in relation to my previous involvement in agricultural debates, and, if I may say, my situation has changed in the last two to three years. Apart from the ownership of one property, which is let to the family farming business, as I said before, I don't actually own any land. My change in circumstances has happened in the period 2002 with the death of my mother, where that brought about, in the months afterwards, a much closer connection with my father, which wasn't previously there. I had previously taken part in debates in the States and indeed I think the last time that I intervened in a States' debate was, interestingly, on the whole subject of the 2001 policy, Agricultural and Fisheries policy document. I think that was probably one of the last times I

did take part in that debate. That was late on in 2002, some two or three months after my mother died. I did take part in debates up until that point, always I think, certainly in relation to the dairy industry, noting the fact that I was involved but not being so involved at that time that it would mitigate against me being involved.

Clearly there is also a very different rôle that I now find myself in as I did then. It is very different to be in a position where you actually have to promote a scheme which you may be indirectly a beneficiary of. That is very different from a back bencher rôle making observation and contributing to a debate. I see the things as quite different. The sum total of all of this means that I am quite clear, as President of Environmental and Public Services, that I am not taking part in anything directly concerning agricultural policy matters generally that could affect my family.

DEPUTY DUHAMEL: Well, thank you. I mean, that certainly raises a few problems because you did in fact vote for the strategy of the States, the new policies for 2005 to 2010, of which Chapter 4 Strategic Aims, to protect the natural and built environment, are a substantial part and in overlap with the previous policies that were actually put forward in the Agri-Environment Scheme.

SENATOR OZOUF: I am very happy to answer the Scrutiny Panel as the situation was in 2002 and, if it is helpful to the Scrutiny Panel to attempt to turn the clock back and to explain the world as I saw it in 2002, I am happy to do so.

DEPUTY DUHAMEL: I am glad you want to do that.

SENATOR OZOUF: But obviously that is under ... but that is not as President of Environment and Public Services. There is a very clear difference between the rôle and the position that I had then and contributing to the debate. I don't contribute directly to the agricultural debate any more because of my close association with my father, which wasn't in existence then. Being President and promoting a scheme is basically a step far too close and I would be extremely uncomfortable -- extremely uncomfortable -- to actually be seen ... it would be wrong for me to be seen to be promoting something.

DEPUTY DUHAMEL: I think in that case, and I hope I speak for the other Panel Members, I would feel comfortable in that case if we actually split this hearing into two parts and we actually interviewed yourself as a Member of the States with respect to your interest in having voted in 2002 up to your vote in 2004 as an independent States member and then secondly we perhaps take issues as they arise through your Vice President and the Planning Committee.

SENATOR OZOUF: Very happy to assist the Panel in that rôle. I have to say that I am not today ... I would need to ... I think we would perhaps need to set another date for me to come to deal with that because I am clearly not prepared. I am not prepared to ... if you want to talk to me about the world then, I mean, I know that you have had other politicians attend upon you, but it would be a different approach, I think, for ... it is clearly in a different rôle that you are asking me to attend. I am here today and today you have tabled a discussion with the President of Environment and Public Services and that discussion should continue. Certainly my Vice President is prepared and I have not taken any direct part in the preparation for today and certainly has attended with senior officers from the Department. If you want to talk to me

about the world as then, then we will need to ... we will need to have a ... I will need to prepare ... I will need to prepare for that personally and perhaps you would need to prepare for that too, because it is obviously in a very different rôle than as President.

DEPUTY DUHAMEL: Well, before we actually consider that, I think what we should do is actually have perhaps a further discussion as to whether or not you are politically debarred, through conflicts of interest, in any discussion on agricultural issues.

SENATOR OZOUF: I am unwilling to ... I am absolutely unwilling and I would ask the Panel to respect that. I am unwilling to be the president of a committee that is seen to be promoting something that I could have a ... that I would have an indirect family interest in.

DEPUTY DUHAMEL: Yes. Deputy Hill?

DEPUTY HILL: Could I come in at this point?

DEPUTY DUHAMEL: Yes.

DEPUTY HILL: Is it worth reminding Senator Ozouf what is the purpose of this Shadow Scrutiny Panel Inquiry? It is not to promote any agri-environment scheme. Would you like me to read it out or would you like to read it out?

DEPUTY DUHAMEL: Yes. I am happy that you read that out, yes.

DEPUTY HILL: *“The Shadow Scrutiny Panel, chaired by Senator E P Vibert, has agreed to undertake a scrutiny review of the following. Agri-Environment Scheme (later named the Countryside Renewal) and has the following terms of reference: (1) to review the policies to safeguard and enhance the environment which was approved by the States on 25th and 26th July 2002 and subsequent related work undertaken to implement the policy. (2) To*

consider submissions to the Fundamental Spending Review in support of the scheme. (3) To make recommendations to appropriate committees. (4) To assess the consequences of non-implementation or partial implementation for the Island as a whole and the countryside in particular.”

It goes on: “Any persons or interested groups wishing to make a written submission should forward it to the following address and to arrive no later than 28th May 2004.”

Now, I think it makes it quite clear that what we are here for today is not to promote the Agri-Environment Scheme but to enquire into it. Would you agree then that there is a difference in promotion and what the purpose of the inquiry is?

SENATOR OZOUF: The States has made a decision to support a policy for the Agri-Environment Scheme and I would expect a committee and its president to be batting for and justifying and arguing in favour of the Agri-Environment Scheme. That’s what I believe the ... that’s what I believe ... I haven’t conferred with my Vice President, but I imagine that she is going to be arguing and then telling you all the virtuous reasons why the scheme should be promoted. That is for you to judge whether or not you think that is a good or a bad thing and to make recommendations accordingly. I’m saying that I don’t think it should be my job to do that for you.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: I’m getting the distinct impression that you are treating the Panel with contempt in not coming prepared for this presentation today.

SENATOR OZOUF: I am sorry if you feel that. I am very clear that I ... that my Vice President is prepared to talk to you as President of the Environment

and Public Services Committee and so the Committee ... you have invited the Committee to attend upon you today and the Committee is prepared to do so. Regrettably, I can't do that for you. If you would like -- and it was supposed to be a helpful suggestion for you and I think it would be a departure from everything that I've heard and seen of the work that you have been doing for the Agri-Environment Scheme, I'm not sure you have interviewed any individual States Members in their individual capacity. I wasn't aware of them.

DEPUTY DUHAMEL: Yes, we have.

SENATOR OZOUF: I wasn't aware of that. If you want me to attend upon you and share with you some views of the way I saw the world in 2002 as a back bencher not having anything to do with the Environment and Public Services, I would be very happy to assist you in that way if I can be of any assistance, but today is not the day for that.

SENATOR LE MAISTRE: Can I come in? Can I suggest that that is actually an extremely helpful suggestion? The view I take is that the Scrutiny Panel is looking at the issues about the Agri-Environment Scheme, the justification for them, the detail of the Agri-Environment Scheme and whether they are still appropriate today, because obviously that is set out in the objectives. Can we though take this opportunity just to look at the conflict of interest issue, because I think that is what we are discussing at this point? Could you just help us, for clarification and for the record really, because, as you know, this is being recorded? You took over as President of the Environment and Public Services Committee on what date? It is about 125 days I know, but it would be helpful to know.

SENATOR OZOUF: I think it was around the end of March, wasn't it? It was ... it was around 20th March, I believe.

SENATOR LE MAISTRE: Right. Would you just confirm or otherwise whether you were involved in the Fundamental Spending Review that took place after that hearing, which looked at all the bids obviously that had been made, including the bid for an Agri-Environment Scheme from the Environment and Public Services Committee for 2005-2006, I think it was.

SENATOR OZOUF: I have been involved in the Fundamental Spending Review wearing a variety of different hats. I have been ... I was the chairman of the Fundamental Spending Review Capital Programme Allocation, but wearing an F&E hat. I would need to ... I would need to check of exactly what my involvement in relation to FSR as Environment and Public Services.

I want to be quite clear to you and share with you a problem that I have had, and I alluded to some remarks that I gave at the West Show at the weekend, and that was that I didn't expect to ... I didn't expect to be President of Environment and Public Services. I didn't expect to be ... to have all of the responsibilities that have been inherited from your previous committee in agriculture and I met with ... I met with a number of people and I even had a discussion with the Bailiff about conflicts in relation to agriculture; and indeed Planning is difficult and requires clarity in terms of conflict of interests. Those matters I have been ... I have been quite careful on planning. I have been faced with a number of potential conflicts and I have removed myself whenever I have got near them. I am in the process ... and certainly your invitation to me to appear before the Scrutiny Panel is accelerating the documentation that is required in terms of clearing my conflict. I don't want

to put anybody ... I don't want to be embarrassed myself, but I don't want to put the Committee in any embarrassing position either.

SENATOR LE MAISTRE: But I still ask the question whether you ... and you will be looking at that presumably.

SENATOR OZOUF: You may have the answer.

SENATOR LE MAISTRE: I don't actually. All I have is the dates when these things took place, but not necessarily the people that were present.

SENATOR OZOUF: Okay. I can't recall. When was the Fundamental Spending Review?

SENATOR LE MAISTRE: Beginning of April.

SENATOR OZOUF: Beginning of April.

SENATOR LE MAISTRE: That was the process, one of the processes. There were a number of processes, you know, but that was clearly one of them.

SENATOR OZOUF: Yes.

SENATOR LE MAISTRE: So it is really just to make sure ----

SENATOR OZOUF: If there is, I would need check, but if I have ... if there was a transitional issue there then and I am seen to have erred in being and conflicted and being wrongly conflicted there, then that is a matter that I am sorry and would need to make appropriate corrections, if necessary. I am very conscious I do not wish to be seen to be ... it is wrong for me to be promoting something and arguing in favour of something of which I have an indirect ... it is just wrong.

SENATOR LE MAISTRE: Can I just confirm my understanding of what you are saying, just to make sure that we are not all hearing different things? It is that you believe that you are more conflicted as President of the Committee than

you would have been as an ordinary States Member voting on a particular issue. Is that what you are actually saying?

SENATOR OZOUF: Oh without doubt. I'm ... I think the rôle is very different. I think a president should be ... is ... should be (a) listening and taking advice from the Department, but also carrying out the wishes of the States, and the wish of the States, it might not be my wish, but clearly the Environment and Public Services Committee is required by States' decision to progress Agri-Environment Scheme matters. What I think in that context is irrelevant, I guess, but clearly puts me into a position that it is wrong for me to be seen to be progressing things further.

SENATOR LE MAISTRE: Okay. Could you explain then perhaps your involvement, previous to being President obviously, in the process that dealt with the Agri-Environment Scheme throughout the Fundamental Spending Review, because that was the only time that the matter has been debated after the States' decision was made? Are you saying you were not conflicted, although at that time you clearly had the same interest or through the familial links but you didn't feel conflicted? Your father clearly did. I link in, because you would have done so he absented himself from the agricultural debate, didn't he?

SENATOR OZOUF: Yes.

SENATOR LE MAISTRE: So do you see that as being different to your present situation and would you see that as being an obvious guideline for States Members generally?

SENATOR OZOUF: I think we have got to do more work on conflicts, certainly in terms of conflicts in the Planning Department, where we are

working and we have been working hard to improve standards and standards need to be improved in relation to that. On a strict ... on a strict documentation arrangement, I have on paper, save in respect of one declared property, I have no direct ownership of land that would be in ownership which would attract an Agri-Environment Grant. I have explained to you, and I will go through it again if I haven't been clear, my view is ... my own position has changed. Since March and the months following March in 2002, and certainly clarified absolutely by the end of 2002, I feel I have a much closer relationship with my father. He, as you rightly said, did declare an interest and withdrew from the States' debate. I was not as close to my father in the period before that and that is because ----

SENATOR LE MAISTRE: You are not your father's son.

SENATOR OZOUF: Well, I was, but it was not ... when my mother was alive the relationship was different. The relationship has changed fundamentally and that is a relationship which is closer in many ways, which arrives me at the position where I am absolutely clear that it would now be wrong.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: Sorry if this is speaking a little out of context because you know that I am not familiar with whole political scenario in Jersey, but it strikes me that, if you are in a position of having a job which deals with the environment of Jersey, you are frequently going to be having to deal with issues that relate to farmers and impacts on farmers, either good or bad. So I find it strange in a way that if you say "I have to remove myself if there is an

impact on farmers”, doesn’t that mean you have to remove yourself from a very large proportion of your specific professional rôle?

SENATOR OZOUF: The Environment and Public Services Committee, of which I am President, has a huge range of responsibilities and those responsibilities are, in some cases, delegated to specific members and so in some members, for example sea fisheries matters which are increasingly a responsibility of Environment and Public Services, are delegated for example to a member of my committee that has a particular interest and a particular expertise in that matter. I also have an excellent Vice President, who stands in and deals with many of the planning matters. I don’t see a lot of the planning matters. I deal with all the planning policy matters and deal with all of the ... deal with all of the appeals etc. But the Vice President stands as almost Acting President in relation to all planning matters. So there is plenty of work remaining for me to do even though I have ... even though I am increasingly and I think rightly removing myself from the agricultural conflicts. But I will say that I am in the process of absolutely confirming more clearly what exactly I should be involved in and I shouldn’t be involved in and everything I’m not involved in immediately turns to the Vice President. One of your Scrutiny Panel members in fact wrote to me -- it happens to be a member of my committee too, unclear about conflicts there too -- but he suggested that I already had a member of my committee who was responsible for agricultural matters. Well, in my view, everything that the President doesn’t deal with is absolutely within the remit of the Vice President.

DEPUTY DUHAMEL: Senator, would you explain, in the light of your comments, why you didn’t perceive that you had a conflict of interest, indirect

as it appears to many of us round this Panel, and you didn't express it in the strategy debate a couple of weeks ago, whereby the States were actually discussing or giving due consideration to agri-environment schemes at least in embryonic forms through the strategic aims of that particular policy paper?

SENATOR OZOUF: It is a matter of degree. We ... I didn't declare a conflict of interest in the strategic policy debate. I don't think we were having a focused promoting debate focusing purely on Agri-Environment. I think if I had ... I think you are asking me that if should have absented myself from that particular part of the debate, I think there is a balance to be struck and, if you are telling me that you think I should be absolutely removing whenever even the word "agriculture" or "agri-environment" is mentioned, then that is fine. I mean, the strategic policy debate was not allocating funding. It was a ... it is a high level document which requires a lot of work in terms of business planning and in terms of implementation.

DEPUTY DUHAMEL: Is it actually promoting agri-environment schemes per se?

SENATOR OZOUF: I think that is a matter for the Committee to work up in its further work which will be done under the direction of the Vice President.

DEPUTY DUHAMEL: And, in the same context, I mean, I can't understand how any States Member, perceiving to have an indirect conflict of interest, could for a matter of two years still participate in issues which are the subject of the scrutiny debate today.

SENATOR OZOUF: Well, you may well question that. I would remind you that I do not have a direct conflict here. I am being ... I'm wanting to suggest to you that I think the sum total of where I arrive at with a relationship, a much

closer relationship, with somebody who clearly does means that I'm wanting to be ... I'm wanting to be safer. I mean, are you suggesting to me that I don't today have a conflict?

DEPUTY DUHAMEL: I think it is down to a perception of what is a conflict, whether it is a direct conflict, as stipulated within Standing Orders, and has been told to us on many occasions by the Bailiff that if we do have a direct pecuniary interest in a particular issue, then we must exclude ourselves from the debate of those issues which otherwise we would be seen to be profiting by. But I'm also looking again at the PPC letter, which does actually state -- and perhaps I should read it out again -- that "*The Committee agreed when considering conflicts of interest that the Panel should in general decide where a conflict of interest arises*", and that is what we are doing now, "*and that such a conflict should not exclude a Member from attending a Scrutiny Panel hearing*", and that is exactly what we are doing. So you are here to be heard, right?

However, it does go on: "*The Committee was of the opinion that it would be wrong to force a Member to participate if he or she had scrupulously declared an interest and withdrawn from Committee Meetings when the issue had been discussed.*" Now, on the basis of your previous conduct and the States' Register of Interests, there is no expression of interest other than what you have mentioned to us today by virtue of the fact that it is indirect and you get on better with your father.

SENATOR OZOUF: Deputy, may I just draw your attention to the minutes of the Finance & Economics Committee, that since the last election and since my elevation to the position of Vice President of Finance & Economics, you will

review no doubt that I have withdrawn at each and every opportunity from Finance & Economics on dairy matters which have come towards the committee. Indeed, prior to that, I understand that you have perhaps carried out your own review of minutes and perhaps you could bring to my attention any times that Finance & Economics has discussed agricultural matters in the period after which I believe that I have had a much closer association with my father and therefore a direct interest. I would remind you that I do not have a direct interest. I am dealing ... we are in a grey area here and I'm asking you to ... I am asking you to respect and asking you to take on board a ... my view of that interpretation of the grey area.

DEPUTY DUHAMEL: Well, can we have a date? Can we have a date when relationships with your father were put on a higher plane?

SENATOR OZOUF: If you would like me to go through my calendar of the events of 2002, then we can start with the beginning of 2002, when I moved into Highstead when my mother was in hospital and then I stayed there and then moved into a permanent residence after she died in March on a virtually permanent basis and by the end of the year was then much more, having resolved to deal with her affairs as they presented themselves, by the end of the year it was much closer, but it was a period of ... there wasn't a light which was turned on in terms of there was an arrival by the end of the year of a much closer association and a knowledge, and an intimate knowledge, of things that ... of financial arrangements etc which previously I did not have, I was not involved in.

SENATOR LE MAISTRE: Can I just say that I totally believe, or you have stated your position, as far as I am concerned, you know, that that is as you see it and

I would respect that. There is, however, complication, as I am sure you are going to see, that with your father actually also being a member of your committee, that presumably you are telling us now that, on environmental matters, that will conflict out the two of you when dealing with matters relating to the environment. Could you confirm that or is that not the case?

SENATOR OZOUF: I cannot speak for my father. He can speak for himself in relation to his own conflicts etc. For my part, I am quite clear that I am not taking part in Environment and Public Services matters which, if I were in his position, with a direct conflict, I am putting myself as if I were him in that position and withdrawing and am very keen now, after this ... I think it would be helpful and I was thinking of doing this from the start, but it has been a busy 127½ days, or whatever it is. I had in mind then to attach on my register of public interests some sort of statement of exactly what I did in the public registry.

SENATOR LE MAISTRE: Could you just tell us who the planning subcommittee is actually so that we have it? I mean, I am not sure I know.

SENATOR OZOUF: You will be aware, Senator, I am sure, that the planning subcommittee consists of the Vice President, Deputy Taylor and the Constable of St Saviour.

SENATOR LE MAISTRE: Right, okay.

SENATOR OZOUF: And you will also be aware that there was a vote ... there was a vote on the membership of the committee and all members were duly elected on to that committee and, therefore ... and I think all Members of the States were aware of the familial connection between father and son and all of the attendant issues of agriculture and all the rest of it. I would also say

that environment matters, of course, don't always affect ... farming matters aren't always environmental and vice versa.

May I say, if I may be permitted to ... to say that, you know, I think you have started a line of questioning and if you want to invite me back about my own views of the Agri-Environment Scheme at the time, of course I reviewed last evening the minutes of the States of the 24th and 25th and 26th July and I noted with interest that Members of the Panel also have of course predetermined views on the Agri-Environment Scheme. I am sure that ... I am sure that you will take on board a comment that I am slightly confused as to the impartiality or potentially of the whole of those matters too. But that is fine. If you have all discussed that and are happy with that, then fine.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Yes. You mentioned that Deputy Hilton is responsible for the planning matters through the subcommittee, but you in fact are involved in policy matters. Where do you actually sit, if that is the case, when it comes to agricultural land that may be submitted and in fairness to your full committee for approval for release?

SENATOR OZOUF: I'm not sure what that has to do with agri-environment, but ----

DEPUTY RONDEL: Well, it has a lot to do with agri-environment, given that that agricultural land would be being administered within the agricultural community and therefore is being taken out and, therefore, it will have a bearing on the Agri-Environment Scheme.

SENATOR OZOUF: Okay. Certainly the agri-environment problem I have is that we are asking the States to fund an agri-environment scheme, which is

going to be ... which farmers can apply to get money from for an agri-environment scheme. Decisions about planning are obviously guided by Island Plan considerations, so there is a clear process and there is a clear policy through which planning applications, whether for land or buildings, goes through. I regularly, and I have done on a number of occasions -- I can't remember how many occasions, perhaps several -- that I have absented myself when there has been land near family property, which could be seen that I may have a particular view because I may be a neighbour or I may know somebody. There are many people in the farming community who I know very well and, on those occasions, I basically withdraw from the discussions.

DEPUTY RONDEL: But not on every occasion.

SENATOR OZOUF: It is not necessary on every occasion.

DEPUTY DUHAMEL: Deputy Baudains?

DEPUTY BAUDAINS: Could I just clarify something, Senator? As I understand it, you believe your conflict to be because the property which your father owns would benefit monetary wise from the Agri-Environment Scheme were the scheme running. Could I ask you then if you are actually aware that that would not be the case, because the Agri-Environment Scheme would only pay 90% of the costs incurred in the work that was done, so actually you would be making a loss?

SENATOR OZOUF: That is an interesting point. I have ... I am sufficiently unfamiliar on purpose of the Agri-Environment Scheme. I didn't know ----

DEPUTY BAUDAINS: I just make the point ----

SENATOR OZOUF: I hear what you are saying.

DEPUTY BAUDAINS: ---- that you would not actually be drawing in money, so there isn't actually a monetary gain for your family to make.

SENATOR OZOUF: Yeah. Well, I would imagine that ... I imagine that one of the issues to do with agri-environment schemes potentially ... I mean, I doubt whether any farmer is going to spend any money that isn't of benefit to them. So they are not going to be spending money just for the heck of it. There is going to be a positive outcome because of that investment. Any catalyst ----

DEPUTY BAUDAINS: To the environment, not to the farm.

SENATOR OZOUF: Well, there is a big debate internationally about agri-environment schemes and whether they are subsidies and all the rest of it. We can deal with that perhaps when I don't wear my hat as Environment and Public Services President, but clearly agri-environment schemes do present or are a catalyst for investment. They encourage people to do things which hopefully have good environmental outcomes, and clearly I don't want to be put into the position where I am encouraged to be seen to be encouraged to do something with money that I am taking from a States' budget and putting it into my ... into a ... you know, something that could be linked to me.

DEPUTY BAUDAINS: Yes. It would be wrong.

DEPUTY DUHAMEL: Are there any other questions? So, I mean, presumably, according to the PPC, it is down to this committee to decide whether or not there is a conflict of interest. I don't know whether we wish to discuss it in the open and take a decision in the open or whether or not we are just prepared to take a vote on it. I will perhaps ask some other colleagues.

SENATOR LE MAISTRE: Chairman, can I propose that we take up the offer made by Senator Ozouf to meet us in a different context to hear his views on the Agri-Environment Scheme, which I think is perhaps a compromise, but I think a positive compromise? I think it will enable us to continue and to hear the Vice President to talk on the issue.

DEPUTY HILL: Yes, I am happy with that. It is no disrespect to Senator Ozouf, but he is not happy with it and, if he is not happy, I don't think, in all fairness, you can give a fair and honest approach. I think I will respect that, you know, and I think what you are saying, Jean, is an acceptable compromise.

DEPUTY BAUDAINS: Yes, I would agree with that. Obviously, we do not perceive -- I think I speak for the other Members of the Panel -- that such is the discussion that we have had, which hasn't been a lot, I have to say, that we don't actually perceive that you have a conflict, but that you do and we can't force you and so we would respect your comments.

DEPUTY DUHAMEL: Right.

DEPUTY RONDEL: Well, I would say that I would consider you, if you came in as the President of Public Services, as a hostile witness and would not be of help to the Panel. So, therefore, I would support what Senator Le Maistre is suggesting and we will meet you as an independent States Member on a future occasion.

SENATOR OZOUF: May I just add one thing on that? That is fine, but it is on the clear understanding that it is not as President and it is as ... it is a historical -- it is a historical analysis and it is a historical gander through the world at that time.

DEPUTY DUHAMEL: For the record, I think it should extend to your vote as an independent States Member at the strategy debate two weeks ago. You didn't vote in that debate as the President of the Planning and Environment Committee, you voted as a States Member.

SENATOR OZOUF: Deputy, we have already discussed the views. I would not be prepared ... clearly I am saying and I am standing before you, sitting before you, and saying that I'm not comfortable in arguing and being on ... dealing with agricultural matters as President of that committee. I would come before you, and if we can turn the clock back and we can talk about the world as it was in 2002 in July and before, great. Anything beyond that I would be extremely uncomfortable about, okay?

DEPUTY DUHAMEL: I think we will cross that bridge when we come to it. On that basis, you are excused.

SENATOR OZOUF: I thank you and I hand over to ... thank you very much.

DEPUTY HILTON: I will see you later.

SENATOR OZOUF: Thank you very much.

DEPUTY HILTON: Can I ask my environment officer to ----

DEPUTY HILL: You can stay if you ----

SENATOR OZOUF: No, no, I have got a planning meeting to go to.

DEPUTY HILTON: We have both got committee meetings.

Senator Ozouf withdrew

DEPUTY BAUDAINS: It is only a part time job.

DEPUTY DUHAMEL: Right. Questions for the Vice President of the Planning and Environment Committee from the Panel?

SENATOR LE MAISTRE: Can I kick off?

DEPUTY HILTON: Yes.

SENATOR LE MAISTRE: With a friendly question.

DEPUTY HILTON: I will do my best, bearing in mind that I wasn't in the States in 2002, but I will do my best.

SENATOR LE MAISTRE: No, but, in fairness, the document is relevant. It was passed by the States.

DEPUTY HILTON: Hmm.

SENATOR LE MAISTRE: Not only that, but the funding was also agreed by the States, so I think it is relevant because you happened to be ----

DEPUTY HILTON: In the States.

SENATOR LE MAISTRE: Well, in the seat that you hold now.

DEPUTY HILTON: Okay, yes.

SENATOR LE MAISTRE: Which is the committee that carries or takes the ball effectively. The Agri-Environment Scheme was seen to be clearly of sufficient importance in 2002 to States Members to be supported as part of the proposition which involved the whole of the policy, but it also seemed to be of sufficient importance actually to be the only element to be voted on positively by the States Members on the funding side of that debate. Now, can you or are you able to give us a view on which elements of the Agri-Environment Scheme would be considered by the Committee as being the most important to deliver the environmental goods that it was proposing at that time? In other words, there were 32 or so elements. Were there elements which were considered to be most important, which you would consider to be most important now, because you cannot totally freeze in time? It is a continuum, because the Fundamental Spending Review has received applications from

your committee to deliver an agri-environment scheme, so there is an acceptance by the committee that it sees it as being important. What I am trying to draw out, which is the purpose of these hearings, is whether there are elements which you would consider as a committee to be more important than others.

DEPUTY HILTON: Can I say that, as a committee, as you are very aware, we have only actually been together as a committee for just over three months and we haven't actually considered that question about the elements. Obviously the Environment and Public Services Committee is wholly supportive of the idea of, you know, the Agri-Environment Scheme. So I can't specifically answer that question.

SENATOR LE MAISTRE: Right.

DEPUTY HILTON: Unless my Environment Director can help me, I am not, you know ... but as a committee we haven't sat in the last three months, looked at it and said "Right, you know, this is more important than this."

SENATOR LE MAISTRE: But you did endorse the request at the Fundamental Spending Review to go forward.

DEPUTY HILTON: Yes, that is correct.

SENATOR LE MAISTRE: I mean, it had been, in fairness, formulated during the previous committee's existence, but you picked up that ball and ran with it.

DEPUTY HILTON: Yes, we did, yes.

SENATOR LE MAISTRE: So that is quite fair.

DEPUTY HILTON: Yes.

SENATOR LE MAISTRE: Maybe the officers did have a view, in which case we would be happy to hear it, whether there was any discussion with the previous

committee and a consideration of whether some elements were more important than others.

DEPUTY HILTON: Than others.

SENATOR LE MAISTRE: In “*delivering environmental goods*”. That is the term that was used in 2002.

DEPUTY HILTON: Right. Okay. Obviously, Chris Newton, the Environment Director, only joined the committee or joined the department in June last year, but I would let him answer for himself about the elements of the scheme.

DEPUTY DUHAMEL: Deputy Rondel, did you want to say something?

DEPUTY RONDEL: Yes. Prior to Mr Newton coming in, were you not the Vice President to the previous committee, Deputy?

DEPUTY HILTON: Yes.

DEPUTY RONDEL: So, therefore, would you not have discussed any environmental issues, given that you had been Vice President for some 18 months previously on your previous committee and, as most of the members, or a number of the members, are the same on the new committee, I believe, you would have been continuing that particular policy?

DEPUTY HILTON: As Members here will be very aware, the Environment and Public Services Committee has a huge portfolio of work. I agree, yes, this came forward to the Committee, as Deputy Duhamel will be aware because he was a member of the Committee at the time. This obviously ... the whole idea of the Agri-Environment Scheme and supporting the scheme in the Fundamental Spending Review, the Committee were wholly supportive, but I cannot recall specifically discussing different elements of the scheme. It was

the scheme in its entirety that the Committee support -- supported and still supports.

SENATOR LE MAISTRE: Okay. It is just the fact that the Committee as such didn't have a view, but I wondered whether perhaps the officers might have.

DEPUTY HILTON: Can I ask Mr Newton to come in here?

MR NEWTON: Yes. I am very happy to help there. As you say, historically this was a scheme that had been, if you like, invented by the Agriculture and Fisheries Committee. The first engagement of Environment and Public Services Committee was at the Fundamental Spending Review which took place in 2003, which looked ahead to the year 2004. At that stage, our support was in principle, so there was a sort of supporting cast rôle for the bid, if you like that was being put forward by Agriculture or Economic Development, as I think it then was.

SENATOR LE MAISTRE: Yes.

MR NEWTON: Subsequently, in the following year's FSR process, that is the FSR process that took place this year, looking ahead to 2005 and beyond, the Committee did, if you like, take up the cudgels and ran with the scheme under its own steam. What the Committee saw and what the Committee agreed were the high level objectives of that scheme, and that is set out in Annex B of the evidence that the Committee submitted to you, where the objectives of the, by then, retitled Countryside Renewal Scheme were set out and the components of it were listed. But at no stage was there a Committee debate, that I can recall at least, that took the individual elements of the scheme and debated them at length. It was just an overview, approval and acceptance that that was

a good thing to do and something that they wanted to support, and that was the basis that the growth bid went forwards this year to the FSR process.

DEPUTY HILTON: I mean, can I say how bitterly disappointed the Committee were that this ... You know, I understand that the States gave approval to it. I also understand in 2002, when that approval was given, that there was a caveat. I understand your funding was approved. I think ... did you put forward an amendment or it was presented in different parts and the States agreed to the funding, with the caveat that it wouldn't take priority over what the Committee of Presidents decided in the FSR process?

SENATOR LE MAISTRE: I haven't got access to it, but I think if the wording of the proposition, if somebody could dig it out for me, I think it would be useful, because that is a point that has been made to us by another committee.

DEPUTY DUHAMEL: I have it here. It says "*The States, having granted leave to the President of Agriculture Fisheries Committee to withdraw Part C of the proposition, adopted paragraph D and requested that the Finance and Economics Committee to make necessary funding available as soon as possible to enable full implementation of the new policies.*"

DEPUTY HILTON: And that was agreed by the States?

DEPUTY DUHAMEL: And Members voted 18 to 17.

DEPUTY HILTON: It comes back to my previous comment, that the Committee are very disappointed that we weren't successful in the FSR process anyway to actually ... it just didn't make ----

SENATOR LE MAISTRE: In the light of that, if I can pick that up? In the light of that wording, which I have to confess even I had forgotten about the precise words, would you wish to make any comment on the way the States has dealt

with it through the FSR process, bearing in mind that wording, because it doesn't give that kind of option to then list it in priority of other matters?

DEPUTY HILTON: I know. I mean, the only comment I would make is that it is always unfortunate when the States make a decision to support a project and for some reason the funds aren't then made available. I don't know how we can overcome that problem in the FSR process. I really don't know.

DEPUTY HILL: I know it is a bit difficult because we are now hearing today that you were not aware that the States had agreed the funding. You were ----

DEPUTY HILTON: No, I understood. No, what I understood was that the States had agreed the funding, but it was subject to the FSR process, that it didn't take precedence.

SENATOR LE MAISTRE: Could we ask where that information came from?

DEPUTY HILL: That is what I'm trying to get at. How would that have come about, because it is quite clear from the report of proposition that went to the States that the States ... that that money was a given.

DEPUTY HILTON: Right.

DEPUTY HILL: So when it went before the FSR it should have been ----

DEPUTY BAUDAINS: It should have been above the FSR process. (**Deputy Hilton conferred**)

DEPUTY HILL: Do you see what I am getting at? It should have been as a given. So it should not have to go before the FSR. So where ... whose responsibility was it? Was it your committee or someone else's responsibility?

DEPUTY HILTON: To take it forward?

DEPUTY HILL: Yes, because really it was a given. It should not have been necessary for it to go before an FSR process.

DEPUTY HILTON: Well, obviously, I wasn't in the States in 2002, but I would have thought, if it was a given, then it would have been the responsibility of the Committee at the time.

DEPUTY HILL: Of your present committee?

DEPUTY HILTON: Yes, at the time, in 2002, to pursue that.

DEPUTY HILL: No, 2003.

DEPUTY HILTON: 2002 it was agreed in the States.

DEPUTY HILL: That is right, yes.

DEPUTY HILTON: July 2002. I wasn't a Member in July 2002, but my understanding would be if it were a given, then it would have surely have been the responsibility of the committee at the time.

DEPUTY HILL: I would have thought the committee, yes.

DEPUTY HILTON: At the time, yes, to progress it. I can't answer for what happened two years ago.

DEPUTY HILL: We are not apportioning blame.

DEPUTY HILTON: No, no, I know you're not.

DEPUTY HILL: We are looking at the process, because I think what is becoming quite evident from the results of our Scrutiny Panel Inquiry, the questioning, is that there is obviously a misunderstanding.

DEPUTY HILTON: There is a breakdown somewhere.

DEPUTY HILL: (1) there is a misunderstanding that it was a States' decision that the money should be made available, but also a misunderstanding by those

people who went forward with it that they should then put it to the revote in a FSR, because it was not necessary.

SENATOR LE MAISTRE: Can I just help perhaps? Because of the timing of the debate, which had been frustrated by P&R and F&E, it was not of the Committee's choosing of the day to have the debate in July. The debate was asked for in February, but, because of the frustration of the process, it fell into July. It was followed by recess in the States, which effectively made it too late, by any reasonable means, to accommodate that request for funding within that budget of that year 2003-2004.

DEPUTY HILTON: Yes, I understand.

SENATOR LE MAISTRE: So there was a belief that the States' decision would result in funding being provided in 2003 for 2004.

DEPUTY HILTON: I see.

SENATOR LE MAISTRE: So it is not a case of apportioning blame as such, but recognising ----

DEPUTY HILL: Who fell in between the slots, so to speak.

DEPUTY HILTON: Right, yes.

DEPUTY HILL: Because it is quite clear, or it seems now, that the Committee was not aware that they had got the money. It was a case of progressing it through the F&E and F&E were not aware of it.

MR NEWTON: Could I just recap for clarity that there was no responsibility on the Environment and Public Services Committee at that stage. There was no transfer of agricultural duties or functions at that date, so the responsibility for bringing forward that States' decision to the FSR process or to bypass the FSR

process, depending on what your view is, rested with the Economic Development Committee at that time.

SENATOR LE MAISTRE: When was the date of transfer? Could we know that for the records, because this is ----

MR NEWTON: Transfer of?

SENATOR LE MAISTRE: Of functions, where the environmental side would have come to Environment and Public Services?

MR NEWTON: Well, strictly speaking, legally speaking, the transfer of functions hasn't yet happened. In fact, we have just come from a committee where the committee agreed to that transfer of functions. The transfer of people and responsibilities took place in January. The transfer of budgets relating to those people and responsibilities took place in April.

SENATOR LE MAISTRE: Which year?

MR NEWTON: This year, and the transfer of functions is hopefully about to happen.

DEPUTY HILL: For clarification, would it not be a fact that when, following the elections in November 2002, Agriculture and Fisheries was subsumed into EPC?

SENATOR LE MAISTRE: That is right.

DEPUTY HILL: And I can understand now where we say where it is falling by the wayside, it has fallen by the wayside because it wasn't picked up and wasn't continued by Agriculture in the EPC and EPC into there, so no one thought about looking at the original support and proposition which the States agreed to in 2002.

SENATOR LE MAISTRE: Could we pursue the actual merits of the scheme, because the scrutiny task falls into three parts? It is really the merits of the scheme, the questions relating to the Fundamental Spending Review and, finally, the implementation of the scheme. If we look, first of all, at the merits of the scheme, can I assume, because it has been moved on for funding purposes initially virtually unchanged, but subsequently perhaps minor changes, that effectively the Committee still supports what really had been put forward in 2002, because that decision was either made by a previous committee of which you were a member or the present Committee ?

DEPUTY HILTON: I think the scheme as it was put forward in 2002 ... I mean, obviously the Committee supported that, but there have been some changes, haven't there?

MR NEWTON: Yes, I think there have. I think it is important possibly to make a distinction between the overall objectives of the scheme, which are more or less solid and have remained solid, and the detail of the components. Now, I think the detail of the components has never been absolutely fixed. Even at the time of the agriculture debate, there was still movement around and there was still discussions and consultations going on, which Rosemary was leading, and that literally continues to this day, to ensure we have got exactly the right components in the right place at the right time. So if there is a distinction there, it is between the overall objectives of the scheme, which we have always supported and continued to support, and the fine detail of the components and the payment rates and those sort of things, which need to be, in my view, a sort of continually reviewed aspect.

SENATOR LE MAISTRE: Could we deal with one element of the scheme, which is the conditionality? Clearly there was a view taken at the time -- I had better address this question to the past President because it is a political one -- that conditionality was linked in to the total funding package so that it was only a part of a bigger policy issue. Has there been a view taken by the Committee on conditionality since then and, if so, if it is still in favour, you know, obviously one would accept that if it has changed and are there any reasons for the change?

DEPUTY HILTON (having conferred with Mr Newton): I understand that, in the original scheme that went forward with the conditionality clause, that was when we were asking ... we were given so much in the way of aid and expecting ... it was half and half, wasn't it? That is what we are talking about?

MR NEWTON: It is the linkage between the continued receipt of direct support payments.

DEPUTY HILTON: Oh yes.

MR NEWTON: Only if you are a participant in the scheme.

DEPUTY HILTON: Obligations you mean?

MR NEWTON: Yes.

DEPUTY HILTON: Right, okay. Well, yes. I mean, obviously, if we are going to give aid, we expect, we will expect, obligations back, and that is still the case, isn't it?

MR NEWTON: Yes. If I can deal specifically with where I feel Senator Le Maistre is coming from, the original scheme, the one that was effectively debated in the FSR 2003 -- year 2003 -- process, had this specific linkage

between if you were going to receive money from the Agri-Environment Scheme ... sorry, if you were going to continue to receive your direct support payments for headage and area, you had to be a member of and you had to be involved in the Agri-Environment Scheme. If you didn't, you wouldn't get ... well, the theory was you wouldn't get your support payments. That is the so-called conditionality. The difference between that and the proposed, the growth bid we submitted to FSR this year, was that we had effectively suggested that that conditionality clause would not be progressed and that was on the basis of the discussions we had following the failure of the scheme to get presidents' support for funding in 2003. So Rosemary was thereafter leading a working group looking at how the scheme could be made more acceptable, because there was strong resistance, particularly from the dairy sector, to the conditionality clause and I think that led partly to unpopularity not of the overall objectives of the scheme, but of the detail and the principle of conditionality. That did seem to be an obstacle to acceptance.

SENATOR LE MAISTRE: Could we then pick that up in terms of value for money and in terms of taxpayers' input? The conditionality clause was trying to ensure the delivery of environmental goods.

MR NEWTON: Yes.

SENATOR LE MAISTRE: Could you explain the logic of actually separating them, which means that the industry would continue to receive benefits without having to deliver additional ... because we are talking above the lines all the time here, without the requirement to deliver additional benefits?

MR NEWTON: Do you want me to answer that one?

SENATOR LE MAISTRE: Well, I don't know who can answer it.

MR NEWTON: Sorry, I wasn't sure who you were addressing the question to. I am happy to answer it, if you wish.

SENATOR LE MAISTRE: I trying to understand the logic from a political point of view, because the assessment has always been value for money if it is taxpayers' money, taxpayers' funding.

MR NEWTON: Sure.

SENATOR LE MAISTRE: Now, the moment you remove those two elements and they can be dealt with separately, I can't quite understand the political, widely political, support being enhanced when you remove them. I would have thought it was rather the opposite.

MR NEWTON: Yes. I mean, I think there is a difference between value for money and actually getting something to happen. I think we took a fairly pragmatic view that we needed to build support behind the scheme and support needed to be not just political but the support needed to be with the community that were going to implement these scheme elements and that conditionality was an obstacle to getting support from the farming and growing community. The view was taken that there was, in our view, sufficient evidence of goodwill to make things happen without conditionality. In fact, the reality was that there were many participants in the farming community who were already moving towards the implementation of certain elements of the scheme, partly driven by the grower, the protocols demanded by the sort of supermarket supply chain, but also in many cases just by simple education and enlightenment and that, therefore, there was the prospect of the scheme being effective without the stick, so to speak. You know, plenty of carrot and no stick.

DEPUTY HILTON: I understand ... I mean, I understand where you are coming from on that point, but I think there was a certain amount of resistance in some quarters. Surely, if you are trying to get people round to a certain way of thinking, it is, you know, better to sort of encourage them into good practice or whatever by offering these incentives.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Yes. If I could put the question to Mrs Collier. In the submission from Mr Griffiths, it is claimed on page 8.31, in the telephone conversation between the States with Rosemary Collier, that she said that she believed that the principle of conditionality had been dropped. Would Mrs Collier confirm this and, if this is the case, give the reasons why she believed this?

MRS COLLIER: I believed that because of meetings with the subgroup of the Jersey Environmental Forum, who, as Chris Newton has intimated, suggested that the whole support of the industry would only be forthcoming if conditionality was dropped. After meetings in the autumn where we reviewed all the documentation, one of their instructions at the meeting in October, I think, was to remove reference to conditionality in the documentation.

SENATOR LE MAISTRE: Can we know who the subgroup is, because we don't know this?

MRS COLLIER: Yes. It is chaired now by ... well, at that time it was chaired by Chris Newton. It is ----

MR NEWTON: Well, to be fair, it had a rotating chair. I was the officer support. There is a rotating chair.

MRS COLLIER: The officer support. By James Godfrey, Graham Le Lay of the Farmers Union, Bruce Labey, John Fa (a vet), Hugh Forshaw ----

MR NEWTON: Do you want me to help? Charles Alluto, Mike Stentiford ----

MRS COLLIER: No, the subgroup.

MR NEWTON: Oh sorry, the subgroup. Right, I thought you were asking on the whole Forum.

DEPUTY RONDEL: No, it is in our report.

MRS COLLIER: I think you have got it as part of that.

DEPUTY DUHAMEL: Deputy Baudains?

DEPUTY BAUDAINS: I am slightly confused here. This is a political question and I hope it is not too difficult. Clearly what the present Committee is promoting is essentially different from the Agri-Environment Scheme as agreed by the States because, first of all, it lacks the conditionality clause. Now, surely, as such, the Committee should have gone to the States and sought to amend the original proposition, and where does the Committee stand today? Is it actually promoting the Agri-Environment Scheme as passed by the States, because, otherwise, it seems to me that it should either seek to amend it or rescind it.

DEPUTY HILTON: Right, well, okay.

DEPUTY BAUDAINS: Sorry to put you on the spot, but it seems to me that we have a project which has been agreed by the States and it has just been abandoned. Now, surely that can't be right?

DEPUTY HILTON: No, it can't be right and I think, for my part ... I mean, this has been very interesting for me this afternoon, never having sat in front

of a Scrutiny Panel, having absolutely no idea what was going to be asked of me and the process and it has been a very interesting experience.

DEPUTY BAUDAINS: We are all learning.

DEPUTY HILTON: Yes, absolutely. But I think, in answer to your question, I would want to go back to the Committee and have another look at it, because what ... I mean, I understand exactly what you are saying about something that was agreed in the States and we have simply promoted something different and I understand your concerns about the conditionality clause. I do understand that. So in answer to you I would say that I feel that we should take this back to the Committee and have a thoroughly good look at it and, if necessary, take it back to the States.

DEPUTY BAUDAINS: Because it seems to me that it is not right that other people ... the States having made a decision, it can't be right that other people should then seek to alter it and adjust it, for whatever good reason, without going back to the States for an endorsement.

DEPUTY HILTON: Yes. I think it was probably trying to adopt a sort of pragmatic approach to it because there are difficulties there. I mean, I have heard who the Jersey Forum or the Environmental Forum consist of, but I don't know anything about the background to those people, but I detect that ... I detect ----

DEPUTY BAUDAINS: I am not suggesting that it is done for any reason other than pragmatic reasons or that there are very sound reasons why it is being done. What I am merely suggesting is the legal legitimacy of it.

DEPUTY HILTON: Yes.

DEPUTY DUHAMEL: Dr Dwyer, please?

DR DWYER: Yes, sorry, I would like to come in here because I think the reason why conditionality made sense in the original proposal that was approved in 2002 was because it was part of the bigger package, because it was a part of changing the whole system of support that farmers were facing at the time, moving from market support to direct payments and that change for a farmer looked like real cash in hand -- that change, nothing to do with the Agri-Environment Scheme. But, as a result of that being on the table at the same time as conditionality with the Agri-Environment Scheme, the whole package could be seen to potentially make sense for the farming sector.

As I wrote in a letter to David Griffiths at the time that the subsequent decision was made to introduce the direct payments, to switch over from market support to direct payments on the agricultural side, while not at the same time introducing the Agri-Environment Scheme with the conditionality link, it no longer made sense, or it would no longer politically be attractive to the farming community, to accept a scheme with conditionality once you had already made the change in agricultural support, because they then adopted a new system, where they were getting the direct payments instead of having the support through the market. Then you would be proposing to introduce a new scheme, where suddenly they would only be getting these payments if they did something else on top of that. So I think, in a sense, the critical thing was that conditionality at the time, as part of the broader package, was potentially both acceptable to the farming sector and offered value for money for the taxpayer.

Beyond that point, the shift from market support to direct payments in your agricultural support (and you don't immediately make the link with bringing in an environmental scheme), means you have lost that opportunity to

win the farming sector over, and I think that is the problem that you have then faced and your approach, as you say, has been pragmatic, to say “Well, if that is the case, we still want the scheme, you know, with or without conditionality.”

SENATOR LE MAISTRE: Can I just pick up on one point there, because part of the conditionality was this 80/20 or 90/10 share that was intended to be a contribution. In other words, there should be ownership from the farming side for what they were doing. In fairness, I could see (and it is only a question really) that conditionality could still perhaps be applied if the scheme was to be changed to be 100% funded and would the Committee consider that a 100% funded scheme, which would take Jersey from the last to the first because it would bind the whole industry into this, is something worth considering?

DEPUTY HILTON: I think it is definitely worth considering and, as I said to Deputy Baudains, I mean, after sitting here this afternoon listening to everything, I think it is something we need to take back to the Committee and have a really good discussion on.

DEPUTY DUHAMEL: Deputy Hill?

MR NEWTON: Can I just, if I could, respond to Deputy Baudains’ contention that we fundamentally changed the scheme? I don’t think we fundamentally changed the scheme. The scheme, in terms of its documentation, its elements and everything else, is pretty much as it was at the time that it was passed, but I accept that we have made, as Dr Dwyer has suggested, a sort of pragmatic adjustment to it in terms of the conditionality component. But I have to say that, if you follow the lineage and ownership of the scheme, it is rather tenuous, but a scheme that was invented by Agricultural and Fisheries,

adopted by Economic Development, promoted by them and possibly as yet not fundamentally transferred to Environment and Public Services because we have not yet completed the transfer of function, it is a bit hard to follow the actual ownership and lineage of that scheme.

DEPUTY BAUDAINS: But the point I was making is that the project is as printed and as voted for by the States. Unless the minutest detail really is changed, it should really go back for an amendment, because otherwise I question the legitimacy of what is being done.

DEPUTY DUHAMEL: Deputy Hill.

DEPUTY HILTON: I accept that.

DEPUTY HILL: Could I come in and refer my question to Mrs Collier? We know that when this came into operation or during the course of discussion there were a tremendous number of people who were supporting, but there were also some people who were opposing. That is the way of life. But the general consensus was that this was something worthy of going forward and, in fact, as we have heard, it actually went through the States and was agreed. Now, for all sorts of reasons -- it may be a pragmatic approach or whatnot, you know, a change in circumstances -- however the decision has been made to take away the conditionality. Can I ask what evidence did you have and what sort of round robin discussion, what form of consultation did you have, to get to this change, because generally -- I am speaking again from two years ago -- there was a fair bit of support for it? However, there was a vociferous opposition.

DEPUTY RONDEL: A minority.

DEPUTY HILL: A small vociferous and quite often a small group, it is amazing what power they have and I just wanted to know what evidence have you got, what consultation did take place, to come to that arrangement to do what is almost like a complete somersault, a U-turn?

MRS COLLIER: Well, I think from the period of the States debate in July 2002, even by the winter of 2002 and into the spring of 2003, there was that feeling that the acceptance of it would maybe mean in time the dropping of conditionality. Whatever consultations we carried out were always absorbed into the development of the scheme. We did have a period of time when we didn't work on the scheme because of the lack of funding. When the Environment Forum existed we thought "That's our consultation process. We need a subgroup of them", which was the two farming industry representatives, the dairy industry and from the Farmers' Union and a range of other interested people. So that was the body who were the consultation process.

DEPUTY HILL: Yes. And were these meetings properly minuted, etc, because I am rather concerned, again, because I was quite aware of what was going on until the new one because we were part of the working party.

MRS COLLIER: Yes.

DEPUTY HILL: But there were a small vociferous group.

MRS COLLIER: Yes.

DEPUTY HILL: And it would appear that, somehow or other, the majority's views have been overtaken by the minority and I would like to know, again, you know, obviously ... (indistinguishable) ... ways, but the gut feeling that there had been a certain amount of pressure put on but there has been no

evidence to support that. There has been no consultation, no round robin, no checks, no votes etc or peoples' opinions sought, it was just a feeling that the conditionality wasn't on.

MRS COLLIER: Well, as I understood it, the Environment Forum people do come as representatives of their industry.

DEPUTY HILL: They are representative of their industry. I think we have heard this afternoon that they come as individuals, but I feel I must press this. In actual fact, you have no evidence, you just have ... I'm not laying any blame anyway, but you just have, let us say, a gut feeling that "The feeling was that it wouldn't be acceptable so, therefore, we are not going to do it." So there may well be a majority of people still wanting it. It is possible, just possible.

MR NEWTON: Sorry, are you suggesting that the majority of agriculturalists would prefer to have a conditionality clause?

DEPUTY HILL: It was the impression that was at the time. You are saying it wasn't, but I am saying, in my opinion, it was. The feeling was that conditionality was acceptable.

SENATOR LE MAISTRE: Can we rephrase that? I think there was an acceptance at the time?

MR NEWTON: Yes, I would accept that.

SENATOR LE MAISTRE: By the majority of the industry that it was because there would be benefits to the Island, to the community and to some elements of the industry, the Farmers' Union were totally supportive, if I recall, but there was a group, mainly led by the dairy industry, who were opposed to conditionality and kept on referring to Guernsey as the model project that we should follow. So I think that what is being said is unless there is a documented debate which

arose from 2002 to justify a change -- it may not be, you know, 100% significant in that sense, but it is not insignificant -- then the question, I think, is legitimate to put it. You know, was there total opposition to the conditionality element, but then, I think that, in a sense time has moved on and one could pose the same question now to say well, should a scheme like this be fully funded?

DEPUTY BAUDAINS: Could I just come in there, because I think the issue is wider than that and it is actually a political issue, because it not only involves the farmers and whether or not they would be prepared to accept conditionality, but we have to sell it to the public as taxpayers. So the whole thing has to hang together. This is why I was so concerned about the, you can call it, fairly minor or fairly substantial, change without coming back to the States, because it was constructed in that way to all hang together. There was certainly some. In politics you can't please all the people all of the time, but it was constructed to hang together as a whole and it is now being tampered with. I am not blaming anybody, I am just saying that I think that is an unsatisfactory situation.

DEPUTY HILTON: I agree with a lot of the points you have made today actually and I feel we have moved on quite significantly since 2002. Things have changed enormously in the industry and that is why I think it would be a very good idea for us to take this back to the Committee and have a really good look at it, because there have been huge changes in the last two years and, you know, things have moved on and I think we need to take a fresher look at it.

SENATOR LE MAISTRE: Could I pick up on that? Could you explain ----

DEPUTY DUHAMEL: Deputy Rondel?

SENATOR LE MAISTRE: Sorry, yes.

DEPUTY DUHAMEL: He has been waiting.

DEPUTY RONDEL: Going back to the earlier part of the meeting, I have got the report here in front of me. The original report was sent to us by Environment and Public Services and in fact it was signed ... it was sent to us by email -- not signed but sent to us by email -- in the name of Senator Ozouf.

MR NEWTON: Yes.

DEPUTY RONDEL: Then a hard copy came to us by way of the department signed by the Vice President. When this was debated obviously you would also have had a copy of this report and I presume you debated it before sending it to the Scrutiny Panel in the name of the Vice President. How come it was allowed to be forwarded to us in the name of the President if in fact he was not party to the original document?

DEPUTY HILTON: I am not going to answer on behalf of Senator Ozouf.

MR NEWTON: Well, perhaps I can help, in that, having put the document together, my feeling when I wrote the document for the Committee and obviously wrote it in a draft as if to be signed by the President, was that, at that stage, it was written in the name of the President. Subsequently the Committee debate took place and the decision was made that you have heard about earlier today. But the document came through as it was drafted by officers.

DEPUTY RONDEL: The debate within Committee then, at that time was the President within the Committee ... as the Committee President, did he partake in the revision of this document?

DEPUTY HILTON: No. The President raised the concern at the meeting that he has raised here this afternoon.

DEPUTY RONDEL: But he sat through the meeting and ----

DEPUTY HILTON: No. No, he didn't. He told the meeting that he felt that he believed he was conflicted and that he would hand responsibility for this over to me.

DEPUTY RONDEL: Right, okay. On another issue then, on 6.4 on page 7, could you expand on 6.4, please, of the report? I will read it out if you wish, but you have probably got the report in front of you.

DEPUTY HILTON (having conferred with Mr Newton): I will ask Mr Newton to answer that.

MR NEWTON: Okay. This section 6 deals with resource implications of operating and managing the scheme. What it says in total is that it was initially thought we would need to recruit or have an additional post of Scheme Manager to manage the scheme. The point of 6.4 was saying within the totality of the resource that I now manage, which includes elements of the ex-Agriculture and Fisheries Department, we thought we would be able to deal with the management of the scheme without additional resource. However, that would clearly require us to reprioritise other work we were doing to make that possible.

DEPUTY RONDEL: At the detriment of what other areas?

MR NEWTON: To be determined.

DEPUTY RONDEL: From within agriculture or within your entire budget?

MR NEWTON: I don't personally make any distinction between my entire budget and ... agriculture is part of the remit that we now manage. I don't have a separate sub-account for agriculture.

DEPUTY RONDEL: I see.

DEPUTY HILTON: But, I mean, the committee ... surely that would have been a committee decision to look at, you know, what we had there ultimately if something was going to have to ... you know, something significant was going to have to go by the by.

DEPUTY RONDEL: I mean, would it come from car parking, or whatever else you are responsible for?

DEPUTY HILTON: No.

MR NEWTON: No.

DEPUTY HILTON: No, because the car park trading account is a stand alone account.

DEPUTY RONDEL: Right. Could it come from your main drain extension fund?

DEPUTY HILTON: Our what? Main drain? I would say not because there aren't any funds there, as you know, Deputy Rondel. We haven't got any funds for sewers, let alone ----

DEPUTY BAUDAINS: That is why he keeps asking the question.

DEPUTY RONDEL: As I say, you must have some idea. You know, you are talking about it in your report in 6.4 where ----

DEPUTY HILTON: Mr Newton is obviously in the position that he believed that he could juggle what resources he had to achieve that.

DEPUTY RONDEL: If you can juggle the resources, Mr Newton, can you give us some indication then where the money is likely to be coming from, given, as a former Vice President of your committee, knowing how tight funding was within your Committee, how can you justify that statement if you wrote the report?

MR NEWTON: Well, because I have the resources of around 70 people and around £5 million and it was my estimation that it would be possible to find the resources to manage the scheme within that.

DEPUTY DUHAMEL: Dr Dwyer?

SENATOR LE MAISTRE: So it is a people issue rather than ... sorry, just to pick up on that. It was a people issue in terms of resources, largely, rather than a funding issue?

MR NEWTON: Well, it means deploying somebody on to the work of managing the scheme.

SENATOR LE MAISTRE: Yes.

MR NEWTON: Either a whole person or parts of bits of people to do that.

SENATOR LE MAISTRE: Yes, I understand.

MR NEWTON: It was my judgment that we would be able to do that within existing resources. I haven't got a detailed plan of what drops off the end of the table as a result of doing that.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: I think maybe the interest is in the wording that you chose to use, where you have actually specifically said "*radical reprioritisation*", which suggests that it isn't simply an issue of taking somebody off something which isn't particularly important. You are suggesting that you believe that

this could be done, but only if you make some big changes somewhere else, and maybe we would just like to hear a little bit about what those might be, what the choices might be.

MR NEWTON: I have nothing further to really be able to explain to you on that other than what I have said already.

DEPUTY RONDEL: Can we move on to other areas then?

DEPUTY DUHAMEL: Yes, sure.

DEPUTY RONDEL: If you look our list, we see Public Services covering a large area. Moving away from a lot of the areas we have already covered, with the sewerage works at Bellozanne ... okay? I am sorry if I offend.

DEPUTY HILTON: I didn't expect to be talking sewers this afternoon

DEPUTY RONDEL: Well, no, no, no, I am sorry, but we ----

SENATOR LE MAISTRE: It will become clear.

DEPUTY HILTON: Okay, right. It had just taken me aback. I thought we were not here to talk about sewers.

DEPUTY RONDEL: Well, yes, you are, because it goes along with drains. The end product, i.e., the effluent, is getting or has been getting pumped back into the ground, injected back into the ground ----

SENATOR LE MAISTRE: Slurry.

DEPUTY HILTON: Slurry, yes.

DEPUTY RONDEL: By way of slurry.

DEPUTY HILTON: Right.

DEPUTY RONDEL: Can I have the views of the President -- sorry, the Vice President -- on that particular practice and whether or not she believes it is good for the environment of the Island?

DEPUTY HILTON: No. I do not believe it is good for the environment of the Island. My understanding is that there is difficulty with the dairy farming industry in particular that they haven't got the storage capacity at the current time.

DEPUTY RONDEL: But I am not talking about dairy slurry.

DEPUTY HILTON: Oh right.

DEPUTY RONDEL: I am talking about the effluent that has been coming out of Bellozanne that has been actually ----

DEPUTY HILTON: Oh sorry, sorry, I completely misunderstood what you were saying. Sorry, could you say that again? It is to do with the?

DEPUTY RONDEL: The effluent that is getting injected into the ground from Bellozanne.

DEPUTY HILTON: Right, okay. Do I think that is a good idea or not? Probably not, no.

DEPUTY RONDEL: You have never looked into it in any depth?

DEPUTY HILTON: Not in any depth.

DEPUTY RONDEL: In your two years on the Committee.

MR NEWTON: If I can comment?

DEPUTY HILTON: Yes, sure, yes.

MR NEWTON: In the right circumstances, I believe it is a sensible thing to do. Sewerage effluent, properly treated, is a nutrient. Nutrients applied to the land make sense. That is part of normal agricultural practice. So a reasonable disposal option for sewerage sludge is to return it to the land. It needs to be done within carefully controlled parameters. So, for instance, if that sewerage sludge is carrying a burden of heavy metals, for instance, that needs to be

taken into account of how much you can put on to the land for how long and the application of sewerage sludge to the land is controlled strictly by a so-called sewerage sludge matrix that looks at the type of land, the amount of application, the loading of metals that are being put on to the land and it is done within good practice terms.

DEPUTY RONDEL: So you are quite happy that hormones that have been passed out of the body etc could be injected into the land which in fact could be taken in by cattle and the like?

MR NEWTON: I think it is ... (a) the thermal treatment in the sewerage deals with quite a lot of those issues and the sludge fraction itself applied to land and incorporated in land, there is very little pathway left for hormones, as you describe them, passing through into the future.

DEPUTY RONDEL: And haven't you read reports where we have seen fish which are coming out with mutations ----

MR NEWTON: Yes.

DEPUTY RONDEL: And other animals?

MR NEWTON: Yes.

DEPUTY RONDEL: And that doesn't concern you?

MR NEWTON: It concerns me a lot and, in fact, in my former life in a former job, I was responsible for commissioning the research that you are now reporting to me. Yes, there are some very serious issues about water being discharged from sewerage works and the fact that it contains both natural oestrogens from human females and synthetic oestrogens through the contraceptive pills that they use, and that is leading to the feminisation of fish

in the receiving waters, but that is a very different thing to the application of sewerage sludge on the land.

DEPUTY RONDEL: What about the nitrates etc that come out of the product and actually finish up in our reservoirs, which in turn will have an element of either heavy metals and/or hormones in it?

MR NEWTON: No. I mean, I don't agree with what you are arguing there, but I am happy that sewerage sludge applied to land is a sensible and useful way of getting rid of beneficially that waste product. Yes, it will put nitrates into the soil, but if you weren't using sewerage sludge you would be using another fertiliser, possibly an expensive inorganic fertiliser that you have brought to the Island with all the shipping costs that that involves and so on. So the issue about nitrates is very much about application rates of nitrogen to the soil. It is less about the source of that nitrogen.

Senator Hill withdrew from the meeting

DEPUTY BAUDAINS: Could I just say I am not a scientist and I may be wrong, but, in my view, the nutrient value of sludge is actually pretty poor compared with animal waste or in fact manufactured fertiliser. It is some years now since I have seen an analysis of the material, but the last one I did see was quite high in heavy metals and other things. I would be concerned about the cumulative effect of heavy metals on land in so much as I would disagree with your view that it is a good way of getting rid of the material and I would hope -- this is basically a political question -- that the Committee is looking at alternative ways and that it would be looking to discontinue this alternative means of disposal or would be looking actually to discontinue this practice.

DEPUTY HILTON: It is not something that we have actually ----

DEPUTY BAUDAINS: Is it likely to do that or is that just a personal view?

DEPUTY HILTON: It is not something that we have considered in the past, but obviously it is something that we can look at.

MR NEWTON: I think it would be fair to say that it would be contained, that whole issue would probably be properly addressed, within the waste strategy discussion that I believe you also have.

SENATOR LE MAISTRE: Could I pick up on the paper that was first issued under the name of Senator Ozouf and subsequently under your name, Deputy Hilton?

DEPUTY HILTON: Hmm.

SENATOR LE MAISTRE: There was a point at the beginning on the comparative developments in the EU system. The last sentence is “*This will mean that 2004 will see the last available area payments and lead to cross compliance with farmers and growers. 1.7 ... must comply with land management rules in order to achieve their SFP.*” Now is that a kind of conditionality? Does that compare as a principle?

MR NEWTON (having conferred with Deputy Hilton): I am struggling to understand your question.

DR DWYER: I wonder if I might answer that.

SENATOR LE MAISTRE: Yes. It is conditionality, but it is not conditionality in the way that the States proposed it with the Agri-Environment Scheme.

SENATOR LE MAISTRE: I was trying to draw that out, what the difference was.

MR NEWTON: My apologies for not understanding.

DR DWYER: The conditionality that would apply under the reform of the CAP is that farmers won’t get direct payments unless they meet a stand alone

set of environmental conditions that each Member State has to define following some compulsory incorporation of conditions that relate to statutory legislation, plus this notion of good agricultural and environmental condition that Member States have to define for their own situations. But there is no agri-environmental scheme funding linked into that at all.

SENATOR LE MAISTRE: So it is just good environmental practice.

DR DWYER: It is what is regarded as a kind of baseline .

SENATOR LE MAISTRE: Below the line.

DR DWYER: Yes, below the line. So basically it is conditionality to reinforce good practice up to a baseline.

SENATOR LE MAISTRE: Which is almost the protocol, the supermarket protocol still take you to not much above the line.

DR DWYER: In detail, I think some of them wouldn't take you up to the line. Some of them would take you beyond the line, depending on which product you are considering.

SENATOR LE MAISTRE: Yes. Okay, can we get back to the Agri-Environment Scheme proper? What ... Because I think there is a general lack of understanding of the impact or lack of impact on the Island from the failure to fund the scheme, what do you feel is of greatest concern to you if the scheme continues to fail to attract funding?

DEPUTY HILTON: Yes. I mean, it is a huge concern. We are all aware that the agricultural industry has gone through massive changes in the last 18 months and continues to. I think it is part of Mr Newton's involvement at the moment in drawing up new policy, looking at, you know, the problems that it will have in the countryside. I think it is vitally important that we address all

the issues. We are going to have ... I mean, we might possibly have a certain amount of redundant farmland, I don't know. My understanding is that, in certain farming practices, some of that farmland might be taken up by better farming practices, yes? So, I mean, certainly initially last year, when people were becoming concerned about redundant land, my own personal feeling was that if we could encourage better farming practices that would entail use of a great amount of land, which I think was a good thing, but, you know, the whole thing needs looking at and Mr Newton is doing that. That policy is being drawn up at the current time and I think it is something that, you know, we've placed at the top of the Environment and Public Services' agenda.

SENATOR LE MAISTRE: Could you explain what you mean by "*things are changing*"?

DEPUTY HILTON: In the agricultural industry?

SENATOR LE MAISTRE: In relation to an agri-environment scheme. I am well aware that things are changing, but the fundamental principles of the scheme, I can't see the link in terms of the objectives of the scheme related to the changes in the industry. I think that has been said by a number of people, but I need to understand it and I think for the record it would be helpful.

DEPUTY HILTON: Mr Newton is more than happy to answer that for you.

MR NEWTON: I accept your basic argument, which is what is changing? Nothing is really changing about the fundamentals of the scheme. I think the linkage between the two is that there is a transition in farming and where it is coming from, so, for instance, we are seeing more extensive use of land by dairy farming, so the stocking rates per vergee are reducing. We are seeing dairy farmers wanting and being able to grow locally fodder for their animals

and reducing imports, expensive imports, of concentrate feed. I mean, the linkage is sort of the scheme is helping that transition from where people are to where they need to be.

I mean, there are some really important elements in the scheme which ideally we would have underway by now, dealing with things like slurry storage. It is vitally important, in my view, to change slurry from being an unpleasant waste product that is badly disposed of to land at the wrong time of year because there isn't sufficient storage, to turning it into a very useful fertiliser that is applied to land at the right time of year and thereby avoiding the import of fertilisers. That really won't happen unless we do give some support to the dairy sector to put the appropriate sized four, five or six months' slurry storage in place.

There are policies to reduce nitrogen use throughout the components, which are fundamentally necessary if we are going to meet the Water Company's wholesomeness targets on nitrate. We need to reduce applications of nitrate to the land. We need to do other things as well, like look at other sources, badly connected pipes, cesspits, soakaways and all that sort of stuff.

Fundamentally, I think the other thing that strikes me that would be an important delivery of this scheme is an overall enhancement of the image of farming. If we want to promote the genuine Jersey brand and have something substantive behind the genuine Jersey brand, I think we have got to do quite a lot to up the image of farming and then everything in the scheme is a sort of saleable criterion to be put behind genuine Jersey.

I think the fourth and final point I would draw out as being a good element to be delivered by the scheme but we haven't really got underway yet

is to do with access, access to the countryside. It comes back to the point I think you were making about value for the taxpayer. What does a taxpayer get out of the substantial amounts of money that go into an agricultural industry? Well, one of the things they could get out of it was more access to that countryside and you could possibly run sort of green tourism too on the back of it.

So they seem to me to be four key elements -- slurring, nitrogen use, image and access -- that could and should have been started already and we dearly need to get on to.

SENATOR LE MAISTRE: The point or the link I was trying to find, which I am afraid you haven't given, is that those objectives were no different in 2002 to what they are now and the structure of the industry doesn't necessarily affect those objectives. There may be a subtle difference in delivery, but I am wondering -- and maybe you can answer -- whether there is an over importance being attached to the changes in the structure of the industry in relation to the delivery of the environmental benefits. Whether you have lots of small farms or a small number of big farms, it seems to me really the objectives don't change that much and even the delivery doesn't change fundamentally. So I'm struggling to find a link. I accept what is being said, that the industry is changing and has changed considerably in two years. I am not sure or I can't quite see the link with the scheme because the scheme doesn't actually have to change fundamentally because of that.

DEPUTY HILTON: I understand what you are saying. I mean ----

MR NEWTON: I don't think we are disagreeing.

DEPUTY HILTON: No, we are not disagreeing. We haven't got the money.

SENATOR LE MAISTRE: I am just trying to find out why the statement is that the industry is changing, therefore we have to look at this.

DEPUTY HILTON: No, no, no. I am sorry, I have probably ... you must have misunderstood me. From my own personal point of view, having been on the Committee for 18 months, what I was trying to say is that this was agreed in 2002 and people recognised in 2002 that there were going to be difficulties. What I am just trying to say is that in my personal experience, having been on this Committee, especially on the planning side, it is probably ... you know, there are significant changes happening all the time. They happened right the way through last year and, you know, we have got a lot of farmers leaving the industry. Really that was the point I was trying to get across. I am not saying, you know, whether it is big farmers, small farmers, the need is there. The only reason it has not been implemented is we haven't got the money.

SENATOR LE MAISTRE: Right, okay.

DEPUTY HILTON: End of story.

SENATOR LE MAISTRE: Thank you, yes.

DEPUTY HILTON: I wish we did have.

DEPUTY RONDEL: If I can move across slightly to something that has been a concern of mine for some time? Could I have the view, please, of your Committee on the manner in which Crabbé has been managed for some time and the problems created by arsenic poisoning of the water course last year? Could that have been caused by lack of knowledge on the part of our experts within the Department, given that even today we are seeing potatoes dumped

on land in large quantities and near reservoirs and will that create a leachate problem that will have to be cleaned up yet again in the future?

DEPUTY HILTON: Can I just say that, as far as Crabbé goes, I mean, again, I wasn't on the Committee at the time and I wasn't in the States when that decision was made and obviously it is deeply regrettable that that happened. I will let Chris possibly talk about the technical side of that, but my understanding as far as the dumping of potatoes goes at the current time is that that is acceptable up to a certain level. Again, Chris can elaborate on that. I have got concerns about that. You have raised your concerns with me and I have actually passed the photographs on and I have got huge concerns about that. But my understanding is that, until an offence is actually committed under the Water Pollution Law, there is not really an awful lot we actually do. We don't actually monitor the situation, do we?

MR NEWTON: That is right.

DEPUTY HILTON: This is an agreement that has been made within the industry for this to happen, the dumping of potatoes, but I will pass over to Chris to sort of elaborate on that.

MR NEWTON: Okay. Right, Crabbé, what can you say? My own sadness is that a very good composting scheme went a bit haywire, because the fundamental idea of composting organic waste is, in my view, absolutely the right thing to do. It is absolutely the right thing to do to take waste, turn it into useful fertiliser and return it to the land. There are two problems with Crabbé. Firstly, the site itself was not ideal. I think it arose out of custom and practice more than somebody saying "That's a good place to do composting." If it had

been properly set up on a properly organised lined, sealed site, that would have been great.

The second problem was the introduction into the composting process of timber, and that was done, I have to say, with the best possible intent. The idea was to introduce into a wet composting stream a slightly drier, more carbon rich material to help the process go. In as far as that was sought to be done, it did achieve its objectives. It produced a much better quality friable useful compost and, unfortunately, as you have said, it also introduced a burden of heavy metals that came with the timber. Now, that wasn't anticipated. It happened. It was discovered and subsequently the problem was dealt with, in that the compost was removed from being delivered into the environment and measures have been put in place both to deal with the compost that was remaining on site and the restoration of the site, which is going to be restored back to its natural condition.

So, consequently, there were knock-ons to the industry as to where they would thereafter be able to dispose of their organic waste and discussions took place and various options were discussed, largely being led by officers in Public Services, who were offering a range of possibilities, including, for instance, the mechanised dewatering of various products through plant at Bellozanne. But the view of the farming industry was that this was an unnecessary expense and that they were quite capable of returning to historic practice, whereby their organic waste was returned to their land fairly quickly and incorporated into the land by sort of rotivation and ploughing.

Now, clearly that gives rise to some potential problems, in terms of the aesthetics of waste being put on to land, the smell nuisance possibly of

material that isn't incorporated as quickly as it should be and potentially a sort of vermin rodent nuisance, again, if material is not ploughed in particularly quickly. But, as my Vice President has said, unless and until those dumps of potatoes actually give rise to a pollution incident, there are no legal grounds to intervene, other than possibly through the nuisance law administered by the Health and Social Services Department.

DEPUTY RONDEL: You mentioned historic practices, but, having been in the Island for a long time and remembering quite a few, being the grandson of a farmer, I remember a lot of historic practices, but I don't ever recall, because most things were ... there was very little food wasted and we didn't see large amounts of potatoes **that** deep on areas of land. If they were returned to the soil, it was in small quantities of the odd few tonnes here and there, but not in the amount we are seeing today. So you might want to readjust your wording.

MR NEWTON: I bow to your greater historic knowledge of Jersey farming.

DEPUTY BAUDAINS: He has been around a long time.

SENATOR LE MAISTRE: There is a question here on plant health in terms of the green bridge and so on. I mean, how do you intend to deal with those issues, which clearly are subtle issues and not fully understood by the average person?

DEPUTY HILTON: Can I ask Mrs Collier to answer that one?

Deputy Hill returned to the meeting

MRS COLLIER: There is ... In supermarket protocols there is reference to responsible removal of waste and spreading it on fields and then planting potatoes the next year is not recommended. You would have to introduce rotation. So there is an issue there, but until we have an alternative method ...

so the instructions in our Code of Practice actually say you use a sacrificial field that will not be cultivated back in potatoes the year after to avoid the green bridge situation and we are monitoring the soil insect populations to see if the practice is increasing potato cyst nematode. There are some instances of this increasing, but not overall. It is a timescale situation.

SENATOR LE MAISTRE: Is that the only monitoring that will take place?

MRS COLLIER: No, as you know, potato blight is an airborne disease that is across the whole Island, but it is not a practice as a plant pathologist I am happy with, but I am aware that the Island has a waste problem, but there is more waste, I will admit, now than many years ago because of quality of product that is allowed to be handled and shipped from the packers.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: If I could possibly bring this back to the issue of the Inquiry, is it not part of the Agri-Environment Scheme proposals to try and address better waste disposal on farms, and perhaps you could talk a little bit about that?

MRS COLLIER: There is. The waste disposal component refers to, in the first instance, green waste from the tomato industry, but composting could apply to potato waste.

DEPUTY RONDEL: You mentioned supermarket protocols. Do you believe the supermarket protocols are friendly to the environment, or are they designed to benefit the supermarkets?

MRS COLLIER: No. The supermarket protocols are aiming ... Apart from the legislative area of them, they are aiming to enhance the environment. They are all signed up. They have links with the RSPB and various other organisations, so they do.

DEPUTY RONDEL: So how can you justify, if that is what you believe is happening, when we see heavy tractors digging potatoes after four or five days of heavy rain and the machinery is virtually **that** into the ground? What damage is it doing to the environment?

MRS COLLIER: It is damaging the soil structure, but that is not something that is under legislation; it is a code of practice, it is good practice and it is not something government can legislate against.

DEPUTY DUHAMEL: Deputy Baudains?

DEPUTY BAUDAINS: Can I pick up on that because I think, basically, there is a danger of relying on supermarket protocols when in actual fact the commercial issues will always override: if the supermarket needs it potatoes next week, you better deliver them next week and they don't care if you have got to dig them or pump them. Frankly, I think it is actually dangerous to rely on the supermarket protocols as a sort of default: we don't have an agri-environment scheme, but the supermarket protocols will nearly do the same thing, so we can relax a bit. I am a little bit nervous about that. I get the feeling that some people are looking upon it as a sort of alternative. It does worry me.

What I really want to get back to is more the fundamentals of the Agri-Environment Scheme. I have asked this question of other interviewees. Fields that are no longer used now, there are varying ... we are hearing varying amounts, quantities of fields that may or may not be used in the future and it does vary widely and we need to get to the bottom of that. But I would seek assurance from the Committee that their view ... there is a wider public perception, I think, that if you don't any longer have a use for a field you can

just walk away from it, shut the gate and leave it and it will return to nature and that's just fine. That is, I think, basically what the public believe, whereas I think the view is that really that field or those fields need to be managed in a way, even if it is managed over a long period of time, back to nature. It will not revert to nature just by abandoning it. I would seek that assurance from the Committee.

DEPUTY HILTON: That would be part and parcel of the policy that you are looking at at the moment. I mean, I'm not a countryside person at the end of the day, but I assume if you just leave a field and abandon it, it is just going to be full of nettles, weeds and goodness knows what. So obviously land does need to be managed and, yes, the Committee, you know, does take that seriously.

DEPUTY BAUDAINS: Yes. I mean, the reason I have asked that question of both you and previously is because, going back to the supermarket protocols, we hear that there could be further rotation, more rotation, of the crops due to supermarket protocols. I am a little bit reluctant to rely upon that and, if there isn't, then we could see quite a large number of fields becoming unused, and this to me would indicate that we need the Agri-Environment Scheme or its successor sooner rather than later.

MR NEWTON: A couple of points I would make. I am agreeing very much with what you have said, I should say at the outset. I think supermarket protocols have overall been very beneficial, because they actually link environmental performance to the commercial structure, so it is not really a question of "Would you like to partake in these environmental measures?" It has been a case of "If you want to sell me your product, you will do these

things”, and that has actually been quite a powerful in delivering enhanced performance.

In terms of the land issue, there are two views there. One is that there is a problem in the countryside and a lot of land is going out of production, and that is an issue. There is another view, which was expressed quite eloquently by Andrew McGally at the West Show this weekend, if any of you heard his presentation, which is that what is really happening is that land is finding a new rental value, so that land that can't be let at the current price spirals down until somebody says “Yep, I'll have it now and now I can afford to grow my lupins on that field. I can't afford to compete with you guys growing potatoes, but when the rent hits this level, I'll take it on and grow a different crop.”

DEPUTY BAUDAINS: I know of several fields that you can't let for nothing.

MR NEWTON: Yes. Well, I mean, sure, and to further support your point ultimately land, as you say, will revert to a natural ecosystem. I think the difficulty we have in Jersey is that we are not the wild plains of Australia and we can't rely on things like bush fires and large natural processes to do that for us. We have a managed countryside, to put it in its absolute form, and there is a management input required even to maintain what we loosely call the “natural countryside”. Most of our areas of natural area in Jersey are managed by the Countryside Management Team and things like tree removal and scrub clearance and gorse clearance go on there, otherwise we would have a very, very simple structure of either, you know, thick gorse or thick bracken.

DEPUTY BAUDAINS: It is called biodiversity.

MR NEWTON: Which would suit, as you say, some things, some animals and plants and birds very much, but wouldn't be overall as diverse as a more managed, slightly more heterogeneous habitat, so I am agreeing your point.

SENATOR LE MAISTRE: Can we turn to the question of land which is no longer used for grazing or other purposes? Could you give us the view of the Committee on the control of weeds, for example, because one gets the distinct impression that that has received, or is receiving, a lower priority than it has in the past? With things like docks, thistles, ragwort and so on, there are some horrendous examples coming forward and there is, I believe, a perception that the Committee is not overly concerned about it at the moment. Could you tell us whether that is true or in fact what is being done about it?

DEPUTY HILTON: I have to say it is not something that the Committee has actually sat down and discussed. I am aware of the problem. Indeed, I heard on the radio, I think in the last couple of weeks, the problem of ragwort and somebody actually discussing Waterworks Valley, about how wild it was and covered in weeds. I actually think it is quite nice down there. It is near St Peter's Valley. I personally don't have a problem with meadows full of various things, but I will ask Chris to specifically answer that question, because I understand that there is a law.

MR NEWTON: Absolutely. I am obviously telling you something that you already know, but there is clearly a Weeds (Jersey) Law and that law is ... Whilst the transfer of function hasn't absolutely taken place yet, we have assumed the mantle of responsibility for that, in that we have the land inspectorate team who enforce that law in our department now.

DEPUTY BAUDAINS: Can I ask why it is not being enforced?

MR NEWTON: Well, I mean, my view is that it is. I've not had any complaints brought to me, and all I can say is, if you feel there is evidence of specific sites and examples where the law isn't being adequately enforced, then let us know and we will follow it up.

SENATOR LE MAISTRE: Do you want to come back with me this evening and I can show you?

DEPUTY HILL: Yes, I was going to say ----

DEPUTY DUHAMEL: Deputy Hill?

MR NEWTON: All I can say is we don't have sufficient inspectors on the ground to look at every field every week or every day.

SENATOR LE MAISTRE: No, but ----

MR NEWTON: We rely largely on the bad neighbour principle of somebody who is concerned about next door will tell us about it.

DEPUTY HILTON: I think it is quite important actually, if Members are aware of any breaches of the planning law or environment law or anything, that you actually just come to the Department and let the Department know and obviously we will follow it up because, as Chris has just said, we have only got a limited amount of resource.

SENATOR LE MAISTRE: Can I actually develop that question?

DEPUTY HILTON: Hmm.

SENATOR LE MAISTRE: Are you satisfied with the way that the problem is being dealt with? If I can draw a comparison, which I understand, although I may be wrong, with Guernsey, where I gather that it is an offence to allow ragwort to flower -- in other words, it has to be removed before it flowers -- whereas in Jersey we admire pretty flowers. Certainly one senior States Member, when

looking at a photograph which I have here, thought that it was quite attractive as a field of ragwort. What is the view? I mean, is there a view that ----

DEPUTY HILTON: Well, my own personal view is I understand how dangerous ragwort is to horses, for instance. It is very, very dangerous and so I would expect the Department to take the steps necessary if there are instances where we have fields full of ragwort, that something is actually done about it, absolutely.

SENATOR LE MAISTRE: Are you happy with the present system of treatment?

DEPUTY HILTON: Well, I have to say that I wasn't aware at the current time that there was a problem or is a problem, and obviously you are flagging up that there potentially is a problem, so it is something that, again, I would like to take back to the Committee for us to look at and actually take action over.

DEPUTY HILL: Could I ask the officers if they were aware of it, because, in fairness, it does not necessarily have to be that the Vice President is the one who has to be aware. One would hope that you were made aware of it by the officers, but is the Department aware that there is, certainly to my perception, because I am grateful this has come up because one of my parishioners got on to me about a field of docks and had a go at me and said "This is disgraceful" and I said "I will find out who is going to deal with it." So I know now C Newton, Deputy Hilton, but are you aware of it, because, again, if the politicians don't know, it could be because you don't know, or do you know and you are not telling anyone?

MR NEWTON: Well, without sounding too trite, I mean, I am obviously aware that weeds grow. I mean, they grow naturally in fields and all we can do is

deal with the problems that are reported to us. I mean, I must return to this issue of resource. I mean, we have very few agricultural inspectors. I think, from the hay day of Agriculture and Fisheries, when I understand there were probably 19 or 20 people employed to do inspection both of marketed produce and field inspections, we are now down to five and, due to the constraints on public service spending, we are about to reduce that number by one more.

DEPUTY HILL: I thought you had six, because six came to the field next to me about March time and had a look at the field. I wish they would come now, because they would see all the docks.

MR NEWTON: The point I am making is we have a very small number of people who, with the best will in the world and even with sort of rocket powered roller-skates, could not get round all the fields in Jersey to undertake the inspections.

DEPUTY HILL: But have you had any incidents of people reporting, you know -

MR NEWTON: We have had very few incidents that have reached my attention. That is not to say that ... I mean, all the inspectors will have individual contacts with individual farmers and landowners and they will be notified at that level and it won't escalate up. I hear Rosemary wants to say something.

MRS COLLIER: I think or I am aware that the ... well, yes, the senior inspector and his team react to all complaints.

SENATOR LE MAISTRE: Can I just ----

DEPUTY DUHAMEL: Hang on. Can I just come in here, please? I mean, I am conscious of time and we are over. I have seen Deputy Rondel with his hand up for a while.

SENATOR LE MAISTRE: They have not answered the second question.

DEPUTY DUHAMEL: Can I call Deputy Rondel and can we ----

SENATOR LE MAISTRE: Are you satisfied with the way that that problem is being dealt with even after it is reported to you?

DEPUTY DUHAMEL: I think they said that. They answered that, as far as I was concerned, because he said he didn't have enough resources and enough officers to do the job.

SENATOR LE MAISTRE: No, no, that is not the question, sorry.

MR NEWTON: Yes. I am satisfied that if we are called to a problem area, then appropriate enforcement action is taken in terms of serving notices on the landowners to deal with it.

SENATOR LE MAISTRE: So you are satisfied that swiping ragwort is actually a proper method of solving the problem?

MR NEWTON: The Senator is referring to applying weed killer?

SENATOR LE MAISTRE: No, not weed killer. It is going in with a rotary swipe.

MR NEWTON: Oh, that sort of swipe. I thought you meant a weed killer swipe.

SENATOR LE MAISTRE: No, I don't call that a swipe.

MR NEWTON: Don't you? What do you ... no, never mind.

SENATOR LE MAISTRE: I call it a spray.

MR NEWTON: A weed wipe.

DEPUTY HILTON: A weed wipe.

SENATOR LE MAISTRE: No, it is a pertinent question, I think, that I believe that part of, or potentially part of, the problem is that actually where inspectors are

going along and serving a notice, which causes the tenant or landowner to go in and actually spread the weeds even further.

MR NEWTON: Right. I guess my view of this would be to turn the question round, because I feel it is something like ... what you are suggesting is like blaming the police for speeding motorists. I mean, the law applies to the landowner and it is the landowner's responsibility to manage his land so that it is free of weeds. Our job is to enforce that law, but, I mean, the ultimate responsibility has to be the landowner. I would think more emphasis should be placed on the responsibility of the landowner rather than the policing of it.

SENATOR LE MAISTRE: That is not the question. The question is, are you satisfied that the method of treatment does not exacerbate the problem?

DEPUTY DUHAMEL: I think it obviously depends on whether or not the seed is set. I mean, if you swipe it after the seed is set and you spread the seed, then it is a problem. If you swipe it before, it is less of a problem.

MR NEWTON: To be honest, it is not a subject I have given a lot of thought to.

SENATOR LE MAISTRE: No, okay. I just asked the question.

DEPUTY DUHAMEL: Yes. Deputy Rondel, please?

DEPUTY HILTON: I do not suppose there is any provision within the law to say how it needs to be dealt with.

DEPUTY DUHAMEL: It just says "*removed*".

SENATOR LE MAISTRE: Thank you for making that point. I think that could be one of the issues.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Could I come here, please, on a different issue? It is your charging policy. Do you believe that by charging farmers for the

disposal of polythene at £600 a tonne, also charging garages for disposal of oil etc, is environmentally friendly because it creates or it allows people to leave their polythene on the hedge for years, rolls of polythene, it allows people to dispose of oil in other ways and it cannot be environmentally friendly? Do you believe your user pays policy is the right one, your charging policy?

DEPUTY HILTON: I am not sure that this question is relevant to an agri-environment scheme.

DEPUTY RONDEL: Yes, it is.

SENATOR LE MAISTRE: Disposal of ----

DEPUTY HILTON: Oh is it, right, sorry about that. Disposal of plastic. Um ... well, as all Members are aware, we are moving more and more towards the user pays principle and if plastic has to be disposed of I just don't feel the States of Jersey are at this present moment in time willing to put their hand in their pockets and pay for the disposal, so we are where we are.

DEPUTY BAUDAINS: Yes, but is the process not self-defeating because it encourages fly tipping?

MR NEWTON: Well, my view -- if I am allowed to have a view -- is that it is fundamentally the right thing to do. The agriculturalist has made a choice to use polythene to produce an early crop. The agriculturalist has benefited economically from producing that crop early and being able to sell it and, in view, the agriculturalist should bear the cost of the proper disposal of that product, full stop.

DEPUTY DUHAMEL: It is ten past five. We were due to stop at five o'clock. I know we are all enjoying ourselves, but could I take more question from Dr Dwyer?

DEPUTY RONDEL: Through the chair, prior to wrapping this up, I don't believe we have dealt with all the questions that I would like. Is there a possibility that we could have ----

DEPUTY DUHAMEL: I think we could actually invite them back.

DEPUTY RONDEL: Yes, thank you.

MR NEWTON: Oh good.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: Now that I know that is a possibility, maybe I don't need to ask this question now, but it seems to me we didn't really wrap up on the question that was raised earlier about what would the consequences of non-implementation of the scheme be. Somebody said something about possible neglect of land and Mr Newton then went through the priorities of what the scheme should be trying to address, but there was something in your submission under No. 7 about "*mechanisms might be found to generate the sort of activity anticipated by the Agri-Environmental or Countryside Renewal Scheme that are less dependent upon central funding.*" I mean, is that a suggestion that, if the scheme were not implemented, you could do it by another means?

DEPUTY HILTON: Chris is currently, is just currently, in the process of working up, you know, a whole new policy, looking at so many different things in the countryside, different ways and means of funding, funding and improvements for the countryside and really, you know, it might ... I mean, I will let Chris ... I don't know how far you have got with that.

MR NEWTON: I think the gist of it really is the whole principle of how the relationship between government, agriculture and funding is something that is

being looked at in the context of a strategic plan for what we are calling quite grandly the Strategic Plan for the Rural Economy, of which agriculture is clearly part and there are opportunities within the rural economy and countryside to generate funds in one way or another that would mean there would be less dependence, could be less dependence, on central government funding to run a scheme of this sort.

DEPUTY HILTON: I think that is certainly what the Environment and Public Services Committee are looking to. I think there is capacity out in the countryside for us to look at our current policies, whether they be planning policies or what they are, to actually generate some funds to pump back into the environment and not to have to go to the centre for money.

DR DWYER: Right. So what I take that to mean then is that you are not saying we don't need an agri-environment scheme, what you are saying is that you might find other ways of funding it?

DEPUTY HILTON: We need an agri-environment scheme, we just need the money.

MR NEWTON: Yes.

DEPUTY HILTON: We need to find the money and we are exploring different ways of actually achieving that.

MR NEWTON: Yes.

DEPUTY DUHAMEL: All right, thank you.

SENATOR LE MAISTRE: Could we just have a flavour of this possibility?

MR NEWTON: Well, it is policy in development and it hasn't been back to the Committee, so it would be wrong to do that.

DEPUTY DUHAMEL: Yes. I think we will address that as part of other questions once we have listened to the transcript and refocused, because I am conscious that we have tended to drift a little bit. Would you like to make a final statement or comment?

DEPUTY HILTON: Well, the only thing I would like to say is thank you for asking us this afternoon. I like to turn every experience into a positive experience. I have to admit I found the whole thing rather daunting, but I now know what to expect and I think it was brilliant and a huge benefit to myself personally. Thank you.

MR NEWTON: Just one sort of practical thing from our side is if, in inviting us back, you anticipate or you can anticipate some of the areas of questioning that you would like to go down, we will be able to make the process a little bit more slick by having researched better the answers to the questions you want to raise.

DEPUTY DUHAMEL: Right. On that note, I would like to thank you on behalf of the Panel for your submissions and comments and thank you for attending.

MR NEWTON: Thank you.