

**STATES OF JERSEY**  
**SCRUTINY COMMITTEE**  
**BLAMPIED ROOM, STATES BUILDING**

**TRUST PORT REVIEW**

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**Present:**            **Deputy Gerard Baudains (Acting Chairman)**  
                              **Senator Jean Le Maistre**  
                              **Senator Vibert**  
                              **Deputy Phil Rondel**  
                              **Deputy Bob Hill**

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**EVIDENCE FROM:**

**MR G. FORREST**  
**MR B. NORMAN**  
**(Port Users Association)**

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on

**Thursday, 23rd September 2004**

**(11:16:15 - 12:16:47)**

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(Digital Transcription by Marten Walsh Cherer Limited,  
Midway House, 27/29 Cursitor St., London, EC4A 1LT.  
Telephone: 020 7405 5010. Fax: 020 7405 5026)

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DEPUTY BAUDAINS:            Good morning. Welcome to the Scrutiny Panel hearing. I need to read

you a notice, which you have on your desk in front of you. 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 to 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.

You have obviously seen the terms of reference and we have a submission from you here. Would you like to comment on your fears, concerns or otherwise of the proposed move to a trust port or now incorporated company?

MR NORMAN: Chairman, firstly, what I would like to do, with your permission, is just really introduce ourselves. I think you know Gordon Forrest. I am Bob Norman. I am the independent Chairman of the Port Users. I retired following employment within the Jersey shipping scene about four and a half years ago.

Just to say a little about the Port Users, it was founded in 1966 and, just really briefly, to safeguard the interests of port users and enable their views as a body to be put forward to the President of Harbours & Airport Committee or any other appropriate authority. That is basically where we come from. We endeavour not to get involved in the nitty-gritty day to day operations. We are more involved with policy and where we are going for the future.

Historically, we have had close working relationships with the Harbour Office and the Harbours & Airport Committee, specifically with the Harbours & Airport Committee through normally a quarterly meeting with a body called the Harbour Working Party Committee, which was chaired previously by the President of Harbours & Airports.

Really we see today as an ideal opportunity to give you the Port Users' views on really

where we see ... or our views and fears on a change in policy. We are certainly in no way, to put it really basically, a stick-in-the-mud organisation. We are always looking forward to new ideas, new developments, which is actually essential, especially within the shipping industry.

I think we had one point here which has an overriding view on the situation. We must accept that the Jersey Harbours is a natural Island monopoly and Jersey Harbours is fundamental in providing a service for the benefit of the Island. If you fall to comparisons with other, shall we say with Telecoms or with Postal, with modern technology and everything that is moving along, there are alternatives coming through the scene. I mean, looking forward 50 years time, there still has to be a harbour. There can only be one harbour in the Island. With a small community like this, you cannot have competition with another harbour further down the road, and we are presently seeing in fact possibly a down turn in the amount of freight and passengers regrettably that are coming through the port, for various reasons. Perhaps we can elaborate a little bit further on that as we go along.

DEPUTY BAUDAINS:            Hmm hmm.

MR NORMAN:                Chairman, do you want to ask us questions on our views?

DEPUTY BAUDAINS:            No, I am quite happy for you to explain and then we will come in later and ask for clarification where we feel we have not properly understood you.

MR NORMAN:                Right.

MR FORREST:                Right, okay. Shall I?

MR NORMAN:                Would you like to come in?

MR FORREST:                I will just say a few words then. Our main concern for the future is not really whether Jersey Harbours becomes a trust port or a limited company. To us that doesn't really matter. It is important that cost is controlled. Efficiency is very important. I suppose our main worry as port users is that cost isn't automatically passed on to the port user, which of course in turn gets passed on to the customer, the passenger, particularly those costs that may be related to Island-wide issues. That is one of the fundamental points that we would like to make from a costs point of view. It is important that whatever happens in the future is efficient and that Jersey Harbours is very commercially aware and makes the most of any opportunity to gain

revenue from any commercial possibilities.

DEPUTY BAUDAINS: Do you think there has been ... Mr Norman told us about quarterly meetings. Do you think you have been sufficiently involved and kept up to date in the progress that is being made? Do you feel you are fully aware of the current situation?

MR NORMAN: I think, looking back in retrospect, it has dragged on for such a long time. I think this has been one of the major difficulties. It has been talked about for a long time and then you have situations where the security of the staff has come in and it has been seen to almost die away.

DEPUTY RONDEL: Certainly the uncertainty is what you are driving at.

MR NORMAN: The uncertainty. I can sympathise with their views. You know, we almost all progress, but you have also got to consider having the right people in the right positions.

DEPUTY BAUDAINS: Deputy Rondel?

DEPUTY RONDEL: On that, are you aware that the Harbours, in the guise of the Harbour Committee, looked at incorporatisation and then a trust port and currently are looking at a limited liability company? If so, if you are aware, have you been involved in regular talks around the table with the Port Users and the Harbours & Airport Committee on these three issues, the three subjects?

MR NORMAN: No. In fairness, we haven't had specific, except perhaps on one occasion, which was the one at The Mermaid (and this was quite some time ago), but we haven't had specific one to one discussions. We have been kept informed to a limited extent through the Harbour Working Party. We have notes with regard to the Harbour Working Party. That is really our forum. It is a particularly useful forum. It has been built up over the years for quarterly meetings. We sincerely hope that, whatever the change in the harbours, this will certainly continue.

DEPUTY BAUDAINS: Could I ask whether your association has made an analysis of how the various options may affect you, or has that been impossible because of the fluid situation?

MR NORMAN: We haven't read ... it is only in recent, I think, times, especially since we have had access, thanks to the President of Harbours & Airports, to the Deloitte & Touche

Report. We had great difficulty there, I might add, in getting access to this. I understand it was on the authority of the Treasury and not because it was their report, I understand. Since we have had access it has given us time to go through it individually, but we haven't had sufficient time to have a real in-depth discussion on this with our own members. What we have come forward with here is our first thoughts, or our first fears, on some points and our welcoming points that we want to take really and think "Well this is a good idea, let's go for it." As a whole package, as a whole in one unit, we have got certain reservations on certain points, but maybe those reservations could be proved unfounded when we glean further information from in-depth, across the table discussions.

DEPUTY BAUDAINS: Can you share those reservations at the present time, or?

MR NORMAN: Yes. I mean, we are quite happy to. One is really on the dividend policy and return to the states or the Treasury, and obviously the States in the Island of Jersey. We would find it very difficult if ... the object of a limited liability company is to make a fair return to their shareholders, who then take the good with the bad and on a really commercial basis. Now, the Jersey Harbours is really a monopoly situation. We cannot see how any dividend can be guaranteed to the Treasury.

DEPUTY BAUDAINS: With the Committee this morning, I did touch upon the fact and I did ask roughly what percentage return on assets they had, because obviously if you have got an asset and you effect a certain percentage return, otherwise as a business it is not worth trading.

MR NORMAN: Hmm hmm.

DEPUTY BAUDAINS: And they don't seem to be achieving that at the moment. I think what you are saying is if they sought to achieve that, then perhaps prices might go up and life might be difficult for yourselves.

MR FORREST: Absolutely.

DEPUTY BAUDAINS: And things would be passed on to your customers. That is your argument. Whereas, with a trust port, I have to say there would, as I understand it, be no dividend to the States. Everything would be ploughed back in. The profits, presumably, would be ploughed back into the business all the time.

MR NORMAN: Well, the Island will gain the benefit ultimately, won't it? I mean, if there is a surplus ... supposing freight was to increase and development of maybe land around the port and different ideas for getting different revenue and there was a surplus of revenue, well obviously that ultimately will go back to the benefit of the Island, I would assume.

DEPUTY BAUDAINS: Well, I would imagine it would depend how the vehicle is structured. The other thing that we did discuss with the Committee this morning was the possibility, of course, that, whilst we are looking at completely separate units, in the end a hybrid may be the most suitable one for Jersey that is neither the one thing nor definitely another, but we choose which parts of various entities will be best suitable for Jersey Harbours.

MR NORMAN: Can I just make one or two other points on dividends and then I would like to hand over to Gordon, if I may? Harbour dues, and this all comes back down to revenue, harbour dues must remain competitive. At present, I think you will find there is a decrease in freight and in passengers coming through the port. As a result of that, it would be highly dangerous to say "Well, we have to increase the harbour due rate to compensate for the downturn in freight." I mean, this is again where there might have to be some cross-subsidisation within the States.

DEPUTY BAUDAINS: May I ask Deputy Rondel to come in?

DEPUTY RONDEL: On that then, are you saying, or would you explain, do you believe that the working practices at the harbours are too cumbersome and bureaucratic and if change is agreed in the structure it will benefit not only the port users but also the taxpaying public of the Island?

MR NORMAN: No question. If you change the system ... if you change ... all these points have got to be looked at and, if there was a new board, they would no doubt look as to how we can make savings within the port, with change of utilisation of labour and all these different views. I don't think it is for either me or Gordon here to make specific points, but we would hope there would be a more commercial approach possibly within the port.

DEPUTY RONDEL: Can I stop you there? The working practices are too cumbersome and bureaucratic at the moment?

MR NORMAN: We are not ----

DEPUTY RONDEL: Within the Department. I am not talking about your side, but what you have to deal with, i.e., you have to deal with various parts within the port authority.

MR FORREST: What do you mean exactly?

DEPUTY HILL: Have you got too much red tape to get through?

DEPUTY RONDEL: That is basically it, yes. Is there too much bureaucracy?

MR FORREST: Certainly it would benefit the port and port users if Jersey Harbours could make more decisions themselves -- I'm talking from a commercial point of view, partnership point of view -- in order to increase business on both sides, on the shipping companies' side and ----

DEPUTY RONDEL: It would take the decision making out of the States' hands and have a body running the harbours that could make the decisions, as you would if you ran a company?

MR NORMAN: Yes.

MR FORREST: That would certainly help from a commercial point of view. We are not saying there should be no political involvement.

DEPUTY RONDEL: No.

DEPUTY HILL: Could I seek a bit of clarification actually, if I could please, just to get what your Port Users Association is? Bearing in mind that, at present, there are (and we hope that it will continue) around the Island, various little ports like with Gorey, Bouley Bay, Bonne Nuit, St Aubins, etc., would you see yourself as representative of that body as well, those other ports, or are you basically concerned with just St Helier?

MR NORMAN: No, we are not.

MR FORREST: No, we are 100% concerned with St Helier. One of our present worries is that, you know, within the harbour dues or within the cost of what we pay is the upkeep of Rozel and St Aubins and all the rest of them.

MR NORMAN: Yes. I think, to elaborate a little further on what Gordon has said, our membership consists of shipping companies or their agents and freight forwarding companies. Our membership has not expanded within marine leisure.

DEPUTY HILL: No, it is purely commercial.

MR NORMAN: Within the fishermen or within the smaller ports.

DEPUTY HILL: Yes.

MR NORMAN: Now, therefore, the bulk of the revenue -- and I mean the bulk, a very, very high percentage of the revenue -- is contributed really by our members.

DEPUTY HILL: In other words, the profit you bring in really is then made ... it helps out towards the leisure side, it subsidises the leisure side?

MR FORREST: Quite possibly, yes.

MR NORMAN: This is what we are given to understand and also to the Heritage side. I mean, I understand that that is a cost to the Harbours of about 600,000 a year.

DEPUTY HILL: Which you are paying in through your shipping dues?

MR NORMAN: Really what should be looked at is to have adequate core centres there, that the harbour due that is paid equals out the services that are given and does not subsidise the ----

DEPUTY HILL: No, it is a cross-subsidisation.

MR NORMAN: The cross-subsidisation, yes.

MR FORREST: This is particularly difficult today with falling numbers, falling passenger numbers, falling car numbers and freight. Freight figures are falling as well at the moment.

DEPUTY BAUDAINS: I see Senator Le Maistre has a question.

SENATOR LE MAISTRE: Yes. You have received -- and I am pleased, by the way, that you have received -- the Deloitte Report, because clearly it was very important that you should see that.

MR NORMAN: Quite.

SENATOR LE MAISTRE: You will have noted that in, I think they call it Chapter or Part 5, there is a list of perceptions, a fairly comprehensive list of perceptions, which could be termed as criticisms. But, at the end of 5.1, which is on page 14, and I will quote it for you in case you don't have it, the second bullet point is "*Jersey and Guernsey Ports are perceived as among the most expensive in Europe. For instance, harbour dues on the inter-Island trip for two passengers with a car account for as much as £32 on the price of a ticket.*"

Now, probably you are the best placed to judge -- well to know actually because it is



factual -- how price comparisons are between ourselves, France and the UK. Would you be able to tell us whether some of your views on the way the port is operated and the bureaucracy involved does actually have a cost impact compared to what is charged by, call them, our competitors actually, or do you see it as being a volume based charge? In other words, you know, the charges are higher because we don't have the same volumes going through as a UK port does or as a French port does, as an example? Could you help us to understand that, because clearly that may be justifiable and it may not, but it is certainly a perception that we are a very expensive destination?

MR FORREST: Well, I think if you compare Jersey, Guernsey and St Malo at the moment, harbour dues are actually quite similar. It is very difficult talking about St Malo because the structure of the harbour due at St Malo is totally different.

SENATOR LE MAISTRE: It is different, yes.

MR FORREST: There is a charge from the Chamber of Commerce. There are all sorts of different charges, so it is very difficult to actually relate the two. One of our fears is, if numbers continue to fall, the pressure on Jersey Harbours, depending on what sort of ... whether it is a company, a limited company or whatever, would be such that the harbour due would have to be raised to compensate for the shortfall. That is a real worry, unless revenue can be generated from other areas where it is not being generated at the moment.

We have great difficulty in seeing any sort of benefit for the port user from a limited company at the moment.

SENATOR LE MAISTRE: Are you saying that the charges -- can we just hold with St Malo for the moment because that is the one you referred to -- are you saying that the harbour dues are similar for both passengers and freight, or do you differentiate between those two?

MR FORREST: I can only talk about the passenger harbour dues.

SENATOR LE MAISTRE: Yes. And they are similar at the moment?

MR FORREST: They are very similar at the moment.

SENATOR LE MAISTRE: Yes, but they are quite low actually, if the truth be known.

MR FORREST: Compared to Guernsey and St Malo, they are similar.

SENATOR LE MAISTRE: They are similar, right, okay. Maybe Mr Norman can comment on freight, both southerly and northerly?

MR NORMAN: I can't give you anything. I just haven't got the information. I am not skirting the question, I haven't got the information on what the present St Malo harbour dues are. I have been out of shipping ----

SENATOR LE MAISTRE: For freight.

MR NORMAN: For freight, yes. I have been out of shipping for five years and it wouldn't be wise for me even to make a guess. I am not here to make guesses really.

SENATOR LE MAISTRE: No, no, but that information can be obtained.

MR NORMAN: Oh yes indeed. I'm sure we can obtain that very simply indeed. I think another aspect to make here is that in the Deloitte & Touche Report they make mention of the Isle of Man. This is another way of looking at this. The Isle of Man has a turnover of roughly half of Jersey. Now, how you come to that I'm not quite sure -- whether you have got rents in there, whether you haven't got rents, etc, etc or how big the marina side is, etc -- but they are running at a deficit of approximately two million a year. As a result, the Government of the Isle of Man obviously takes a totally different perception on the value of the harbour to the island as a whole. It is being subsidised and, even then, they have two ports over there. Again, it is a minor port, I know, but it is still a lift on/lift off port. I'm not saying for or against, but that is another aspect.

DEPUTY BAUDAINS: But surely it will depend on which model the Committee ultimately decides upon. I raised this morning the question that, depending on which one they choose, would it be possible, for argument's sake, to run the harbour at a loss because it might be in the commercial interests of the Island as a whole to do so, to assist commerce or tourism or something like that. Would a trust port be able to do that? I don't know. It may be it could be constructed so that it would. A limited company, could it do that? Well, I suppose it could, depending on how you structure it. But I understand your concerns that I think Mr Forrest outlined and the company has to either make a profit or at least break even or charges may have to rise, which ultimately reduces business and you are on a downward spiral.

MR NORMAN: If the service that is being offered meets the demand of the user and it is efficiently produced, then really it is very difficult for harbours to make any further costs savings, isn't it? Now, okay, you can look at any board of any organisation and say "Well, that should be done or this should be done", but then that will then be up to either the new chief executive officer -- that is one, or however it is played -- or the chairman of the new company if that comes in, to say "Look, this is not ...". It will be their business acumen to have a look at this closely, to make sure there are no inefficiencies within the port or the service as being offered. Then the actual funding will be judged on that base really.

MR FORREST: From the commercial point of view or the partnership point of view, I don't see an awful lot of difference between the function of Jersey Tourism and Jersey Harbours. Jersey Tourism worked very closely with the shipping companies, with promotions, special deals and that sort of thing and actually contribute financially to quite a lot of revenue-generating deals. Now, from a commercial point of view, it would be nice to think that one could do the same with Jersey Harbours. I am led to believe that would be the case if it were a limited company because the management of Jersey Harbours then would have more freedom to make decisions, to enter into special deals and make decisions. My worry is that that could be completely annulled, if that is the word, or cancelled out, by the need for the limited company to make a profit.

DEPUTY BAUDAINS: You mentioned earlier -- correct me if I misunderstood you -- that you believed that there should remain at least some political input. I think our experience recently with Telecoms and the recent live issue there may encourage us to think that way, but, of course, if that is the case and there is still some political input, is there not likely to be a tension between that political input and the board trying to administer the company without interference?

MR FORREST: Yes, but it could be that the political input could be perhaps one or two politicians on the board and their opinions sought. It doesn't have to be completely ruled politically. I can't see anything happening without any sort of political input somewhere, whether it is the decision right at the top that there will be a return to the Treasury. That is political input. So, you know, I can't see any of it happening without some sort of political

input.

MR NORMAN: We have quite a strong view within the port users that the board should consist of a minority of politicians. The thought was made that it should maybe one or two politicians that would really look at the Island's point of view and the social conscience point of view within the Island and possibly, if that happened, maybe the Telecoms' situation might not have arisen. I don't know. That is only speculating.

MR DOWNIE: I saw Senator Le Maistre with his hand raised.

SENATOR LE MAISTRE: Would it be fair to say -- and I don't want to put words into your mouth -- that from a port users' point of view, at this moment you are not too bothered as to what structure is put in place so long as it delivers the most cost-effective way of running the port; in other words, that costs are kept to, you know, the keenest possible price? Would you wish to comment further once there are proposals in place, you know, whether it is trust port or commercial company or whatever, or would you prefer to have an input in that process before a decision is made so that your views could be taken into account before Harbours & Airport come to a conclusion? We are dealing with a subject which is fluid at the moment, unlike other Scrutiny issues, where we are actually reviewing decisions that have been made. This is a bit different. So what would your preference as users be? **(Mr Forrest and Mr Norman conferred)**

MR FORREST: I think the latter there, Senator. I think the latter -- a definite input as we go along would be very useful.

SENATOR LE MAISTRE: And you had said, but I want to be clear in my mind, that up to now, apart from the quarterly forum which maybe has not dealt with the specific issues surrounding the various possibilities, up to now you have not actually had any detailed consultation or discussions on the various options?

MR NORMAN: I think that is mostly true. It depends on how you quantify "*detailed discussion*" etc. I think really what we are saying is it is good to have (to almost be crude about it) a good "thrash out" around the table on all the pros and cons on both sides, because very often you sit down and you come in with your ideas, but you want to learn, you want to know what the

other person's ideas are and maybe it is a mix and match situation. I mean, a lot of this can only come about by a really good exchange of ideas. We both learn from each other. I think this is really how in the port it has only been successful in the past with the Port Users when we have been able to exchange ideas, even ones that are a lot of trivial things possibly at times that would have risen into something quite big. You know, we have even consulted in the past on capital developments etc within the port. We welcome this. We do not shy away from it.

MR FORREST: I think part of the problem, part of the problem in the last year or two years, is that Jersey Harbours hasn't really known themselves where they are going, in which direction they are going. I do not mean that as a criticism. Therefore, it is very difficult, all sitting round a table, trying to find out which way we are going when we don't know where we are going.

SENATOR LE MAISTRE: Yes, okay.

MR FORREST: But we would value very much significant input as we go along from now on.

DEPUTY BAUDAINS: Deputy Rondel?

DEPUTY RONDEL: If a shadow board or shadow trust was put in place, who would you actually envisage sitting on the trust, please?

MR NORMAN: It is either a limited liability company or a trust, either one or the other?

DEPUTY RONDEL: Whatever would be put in place.

MR NORMAN: Whatever.

DEPUTY RONDEL: Shall we call it a board as a trust port or a board for a limited liability company. Who would you actually envisage sitting on that board?

MR NORMAN: Our thoughts were that you would want a ... it has got to be a chairman with a fluent background, I would say not necessarily in shipping, but somebody who can motivate others below them. That is the actual chairman, who then has direct responsibility to the Treasury and to the Development Committee. Then possibly four non-executive directors. I have taken it from this report, which said that the non-executive directors should exceed the executive directors, which I think is quite logical. They bring a stabilising board. They bring experience into the company, etc. Of those four non-executive directors though, two will possibly be politicians to bring in the Island side, the social conscience side, etc, and the others

possibly bringing in more or less the hard nose business side. Therefore, it means you have got a compromise coming through there. Then, the non-executive directors would then decide who the executive directors should be. The directors obviously have either got to be an MD or chief executive officer. We are a bit confused how the Harbour Master stands within the whole situation, whether it is proposed in here that he then becomes the link on legislation, which is in effect quite a big job, but that would be up to the non-executive board to decide.

DEPUTY RONDEL:           What about worker participation on any board?

MR NORMAN:           Well, it depends on who you class as the workers.

DEPUTY RONDEL:           Well, shall we say someone from within the union. Any board that is going to be set up, you have got a broad spectrum of people.

MR NORMAN:           Yes.

DEPUTY RONDEL:           With various backgrounds, and you might be calling somebody from Harbour Works, for instance, or from within the Harbour Office itself rather than the Chief Executive, on to the board.

MR NORMAN:           I think I see and I know this happens in other areas where there are old hands and what-have-you. I have no experience of that myself, but I am not saying that it is not ... it may be a good idea. That would have to be a decision made, I think, by the non-executives of the board. It is very difficult to sit down here and tell the directors really how they should run their company.

SENATOR LE MAISTRE:       But it isn't their company -- if I can come in -- it is owned, or it would be, whichever form is envisaged at the moment, it would be owned by the public. That is a very different scenario to a normal private or public company. In this case the shareholders would be the States of Jersey.

MR NORMAN:           But the shareholders have their representatives from the political side.

SENATOR LE MAISTRE:       Yes.

MR NORMAN:           In the way of politicians.

DEPUTY BAUDAINS:       Deputy Hill has a question?

DEPUTY HILL:           Yes. Could I try and get back in here actually and pick up on something which

Mr Forrest said -- I think it is quite an important statement you made -- when you said something to the effect that you didn't really know whether Harbours knew where they wanted to go or where they were. I think that is quite often a perception about a lot of the States' bodies, that they don't know where they are or where they are going, that there is lack of vision. What consideration has ever been given to possibly having a think tank so that you have got people to have a vision, to get some sort of ideas? We have had this *Imagine Jersey* looking at the way in which the Island can go. Has any consideration been given to having something like that, so you can have a group of people getting together and saying "Look, let's get a vision for the harbours, let's see how we can get forward or go forward"?

MR FORREST: Not in our experience.

MR NORMAN: I must admit that I think that, in our experience, if you get enough people together you end up by not really getting ... well, maybe getting a more confused picture than anything.

DEPUTY HILL: I accept that again, but I think something that Deputy Rondel was saying is that they were looking at a board and you can have a broad spectrum of people. I think you can have an idea of the sort of people who have a function and maybe a few others. I do accept the fact that you don't want too many because sometimes you can get too many ideas and you can get confused by it, but I would have thought that, given the fact that you are looking at not too broad a spectrum, about boats coming in and boats going out and the infrastructure to support it, that consideration might have been given to have a think tank. Do you think there may be some merit in things like that?

MR NORMAN: Again, can I, through you, Deputy Hill, just come back to Mr Rondel's point, because this is possibly where it is coming from, of maybe having a union member on it? There is no ... I mean, I certainly wouldn't have any problem. I would be very surprised in fact if their union policy ... because I think, within the United Kingdom, union policy hasn't gone down that line.

DEPUTY HILL: No. I am looking at a stage before getting to what Deputy Rondel was talking about, because, again, I am coming back to what you said, Mr Forrest, the fact that you

wondered whether Harbours had a vision and whether they knew where they were going; and I was wondering whether a means of getting where they are going is by possibly having a group of people around the table and saying “Look, here’s a blank page. What do we want to achieve?” and get that going, because, I think, until you know where you are going to go, you don’t know what’s worth pursuing.

DEPUTY RONDEL: Before you answer that, could I just come in on the back of Deputy Hill and what he is asking you? Have you seen the 20 year vision, i.e., Port Master Plan?

MR NORMAN: Yes.

DEPUTY RONDEL: And were you part and parcel of that Port Master Plan being formulated?

MR FORREST: We weren’t, apart from we were given a copy of the Port Master Plan.

DEPUTY HILL: You were given a copy, but you had no input in it?

MR NORMAN: Not from memory we didn’t.

MR FORREST: No, we didn’t.

MR NORMAN: I think this is the important part. It is to talk to the people who are directly involved with the port. Shall we say, the general public, in my view, really want a good service at the right price and it is up to the users and the port to be able to offer that, I think, to the general public.

DEPUTY BAUDAINS: I get the feeling that what you are saying is that, with the Harbour Working Party there is consultation and a connection, but possibly not sufficient or in sufficient depth. Am I reading that correctly?

MR NORMAN: Yes. I think we don’t want to get involved in running the harbour.

DEPUTY BAUDAINS: Well, not in the minutiae, but ----

MR NORMAN: But, on major things of this nature the Harbours have got to make their ultimate decision and we all accept that, but we feel they can gain from us and we can get an understanding from them that allows us to know why they made those decisions.

DEPUTY BAUDAINS: So are you then suggesting that, at these meetings, it is more of a presentation than a consultation, or would you ----

MR NORMAN: In the bigger items such as this, I think no harm at all ... it is not going



through the political side, but the officers of the day, to be able to have a round the table session with these people and understand the mechanics of it all, not just the global view.

MR FORREST: We feel our business experience could help an awful lot from that point of view.

DEPUTY RONDEL: I have to ask once again, because I am taken aback by the answer I have just got from Mr Norman, that the 20 year Master Plan, that no or very little input was put into it by your particular group. **(Pause)**

MR FORREST: That is correct.

DEPUTY RONDEL: Thank you.

DEPUTY BAUDAINS: Can I just focus for a moment on the Deloitte's material? I raised this earlier with the Committee this morning, but, under paragraph 5.1 -- you may not have it with you -- "*The perception of stakeholders*", under bullet point 4 we have the comment that '*Jersey Harbours appears to be over-manned at all levels and its asset base is not made to "sweat enough"*.' Would you agree with that or is that made by other parties or?

MR NORMAN: I don't know who made that comment.

DEPUTY BAUDAINS: I mean, in your view, do you think that it is over-manned, or does this go back to the efficiency comments you were making earlier?

MR NORMAN: I think it depends on what the rôle of the harbours are, especially vis-à-vis the Heritage side, the small ports and small harbours around. Should that be necessary to be able to maintain those harbours etc? The moment you get away from your core base and you get out on the road, etc, you obviously require more staff. Internally, further up the line, it is very difficult to make comment until ... there is quite a diverse side. You have got the registration side, you have got the marina side etc. There obviously needs to have sufficient. I don't think we can ... I don't think it would be fair for me to comment on that any further.

DEPUTY BAUDAINS: Right. I think, arising out of what you just said there, there may be a difficulty perhaps in getting all the various parts together to run under one company. Are you suggesting that some may have to be split off? I mean, that is the Harbour Master's decision.

MR NORMAN: That is the Harbour Master's decision. He is running it.

MR FORREST: I think there are different ways of looking at it. You know, the question is, is it over-manned? Well, we can't comment on that because we don't know exactly what people do. However, you know, if you take the business I'm in, we try and train people to do two or three or carry out two or three different functions, where beforehand perhaps we had two or three people doing those functions, carrying out those functions. There are lots of different ways of looking at it. But, as Mr Norman says, the Chairman of Port Users' says, we can't really comment on whether Jersey Harbours is over-manned or not.

DEPUTY BAUDAINS: Our understanding of it is that it may be the Committee are addressing that area. As you probably realise, there are changes taking place between pilots and Port Control and Jersey Radio and things like that.

MR NORMAN: Yes, exactly, yes, yes.

DEPUTY BAUDAINS: Another thing I don't know if it causes you concern or otherwise, I notice on page 5 of the Deloitte's submissions, page 14, paragraph 5, it has been suggested here that the situation would be similar to Jersey Telecoms really, in that the JCRA, the Jersey Competition Regulatory Authority, would be likely to regulate the prices and such like. Would that cause you any concern or do you think that is a benefit?

MR FORREST: Do you mean shipping company fares and that sort of thing? What do you mean? Are you talking about harbour duties?

DEPUTY BAUDAINS: That is what I think, I presume, they are referring to, the costs applied by harbours to those using the harbour facilities.

MR FORREST: I think our association sees the JCRA's function as only being necessary if all communication were to break down between ourselves and the management of Jersey Harbours. We feel that we should be able to deal with every problem directly with Jersey Harbours and we don't really ... and it would be nice that the JCRA were in the background for things like cross-subsidising and that sort of thing. We understand the function, but we would like to think that we could sort everything out directly with Jersey Harbours.

DEPUTY BAUDAINS: And my perception, which of course may be wrong, is that they are anticipating working in a similar fashion to Jersey Telecoms, where in actual fact people such as

yourselves would make representations to the JCRA, but the JCRA would make the final decision. You would be a fairly small player in the process. What you are saying is that it would be better if you were directly involved with Jersey Harbours and I see the JCRA as the filter and you would not actually have access directly to Jersey Harbours, your access would be through the JCRA.

MR FORREST: I see.

MR NORMAN: I would have considered that the JCRA should be the point of last resort, that we should be able to sort out with Jersey Harbours. We come again down to if you are going to change the harbour revenue, you have then got to consider where is the harbour going to get the necessary revenue to meet their costs? Therefore, then it becomes a States' decision as to reduce the harbour dues and subsidise the harbour. This is where there has got to be a political intervention here.

DEPUTY BAUDAINS: Well, we had the analogy this morning with Jersey Telecoms and the OAP phone charges, which of course was sanctioned by the JCRA and no political input. That is the sort of fear that I might have with this.

MR NORMAN: Well, the JCRA obviously then took a commercial view, which I think is probably their remit. I haven't read their remit, but it is probably their remit to take a commercial view.

DEPUTY BAUDAINS: But there must be a political overview really.

MR NORMAN: This is the point we are endeavouring to make here this morning.

DEPUTY RONDEL: Given, whilst we are on the JCRA, there are considerable charges made by the JCRA in any of their decision making (and I am talking about hundreds of thousands of pounds, their fees) any regulation that would be put in place for them to administer, do you think it would be appropriate that the JCRA in fact should be actually involved in regulating or looking at any regulations, i.e., harbour dues or landing dues at harbours, or would you prefer that actually to be looked after from within the company and negotiations with the States?

MR FORREST: No, I think that ----

DEPUTY BAUDAINS: I think that what the Deputy is saying is should the JCRA be removed from the equation?

MR FORREST: Well, as I said before, we would like to think it would be possible to negotiate or to determine harbour dues with the officers of the company, with Jersey Harbours.

DEPUTY BAUDAINS: With a facility for arbitration should those discussions break down.

MR FORREST: With some sort of inexpensive facility being available should it break down.

MR NORMAN: I think the point here must be accepted that, whatever level you put the harbour dues at, those harbour dues have got to be passed on to the customer. Now, if you pass it on to the ... take passengers, for instance. If you pass it on to the passengers, the harbour users at that level, that may deter visitors coming to the Island and make them go to Majorca or make them go somewhere else. Now, it then becomes an Island decision to say "Well, what should we do here?" Possibly to a lesser extent on the freight side. That then adds to the Jersey cost of living figure. It pushes that up. That could detract -- I am not putting much emphasis, but I am just using it as an example -- it could detract from maybe some of these industries sort of setting up over here, saying "Well, as a harbour user that is going to affect us coming."

MR FORREST: And the worrying factor is that very few Island decisions are made in favour of tourism.

**Senator Vibert entered the hearing room**

DEPUTY BAUDAINS: Senator Vibert?

SENATOR VIBERT: I am sorry for my absence, but I have consulted my colleagues as to what you have been asked and I am not going to go over new ground. But I wanted to ask you, in October 2002, the Jersey Harbours made a presentation to States Members on the advantages of a trust port status for Jersey Harbours. The person who did that was in fact the man who set up the Port Tyne Authority up in Newcastle. I would really like to ask you whether you were ever given a presentation similar to that on trust port authority and whether in fact you have ever seen the document that was produced for that as to the advantages of a trust port?

MR NORMAN: What was the date?

SENATOR VIBERT: The meeting was in October, October 2002.

DEPUTY RONDEL: Mr Clifford, was it?

SENATOR VIBERT: Mr Clifford, a Mr Clifford made a presentation to States Members. (Mr

**Norman and Mr Forrest conferred)**

MR NORMAN: Yes.

SENATOR VIBERT: So did you attend, or were you invited to that presentation?

MR NORMAN: From memory, we were, yes.

SENATOR VIBERT: The second point I would like to ask you is, in the trust port set-up the stakeholders are actually all those using the port. That is the employees and all those individual organisations or groups who have an interest in the operation of the port. They actually form the trust. It is not a profit making body. All the money made by a trust port is ploughed back into the development of the harbour in which all the users have a stake. I just wondered whether you had considered that position in relation to whether that is better than having a limited liability company do it, where you would have very little say in it at all as stakeholders? **(Mr Norman and Mr Forrest conferred)**

MR NORMAN: I think it depends on how strong a management you have in there running it. If you have got every ... I haven't given it any thought and I am just thinking about it as I go along now, please. You know, if you are responsible to a lot of different bodies, it is very difficult sometimes to make a good decision. Secondly, I understood that one of the down advantages of the trust port was actually the assets, the transfer of assets from the Island of Jersey into a trust port.

SENATOR VIBERT: Well, we actually dealt with that this morning and it would appear that it is no more difficult to do it with a trust port than it is to do it with a limited liability company.

MR NORMAN: All right. I can't answer that.

SENATOR VIBERT: Okay. Fine. Thank you.

DEPUTY BAUDAINS: No Members of the Panel have any more questions? Do you have any further comments to make?

MR FORREST: Can I make a comment about land? It is a worry of the Jersey Port Users that sufficient land would not be kept within the port for future needs or development from the harbour point of view, because, at the end of the day, Jersey Port is a harbour and a lifeline. We are worried about development and other things encroaching upon the port and we would like

that to be taken into account.

SENATOR VIBERT: Can I just ask a question on that? We actually raised that matter this morning with the Committee, particularly about the building of residential flats in the middle of a port, where the residents could ultimately start complaining about the noise that the cranes were making at one o'clock in the morning and that sort of thing. In fact, they did give us an assurance that that was going to be incorporated, that they are discussing with the people that are building flats and selling flats that something like that could be incorporated into their leases. In other words, that they were not able to make complaints.

MR NORMAN: Prior to the marina development that is way up the Harbour Pier, we made this point extremely strongly and asked that clauses would then be put into the leases. This was -

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MR FORREST: This was some time ago.

MR NORMAN: This was maybe four years ago. We were concerned then, and we still are concerned, that the port could end up with restrictions that would not allow it to be a 24 hour port. Remember at all times that St Helier is still a tidal port and this is not sometimes appreciated by many people around.

DEPUTY BAUDAINS: Yes. There is another difficulty which some people may have overlooked and that is the existence of the Statutory Nuisance Law, which would probably override any agreements. Somebody could have moved in for only two or three weeks and, despite the fact that the cranes have been making a noise in the last 20 years, they could get it stopped.

DEPUTY HILL: It wouldn't be as strong as that.

MR FORREST: Well, that is the worry.

DEPUTY HILL: But it is a concern.

DEPUTY RONDEL: Whilst we are on that point, within the Port Master Plan, you are obviously aware -- you have obviously got copies of it now -- of an aggregates scheme, etc. Is that a concern to you, an aggregates scheme in the location they are proposing?

MR NORMAN: No. I mean, I don't think so. I mean, I haven't looked at the plans in any

depth. All I would say is that there must be sufficient to back up the area around there for expansion always. Our concern, vis-à-vis the trailer park, was we were very, very much involved in the roll-on boats down there, making sure there was sufficient area for parking trailers etc. People come down there in the middle of the day and say “Look at all the space. There is nothing on it.” But you have got to remember you can’t load a vessel until you have discharged it, so you have got to have double the amount of space. You have only got to have one vessel to break down one day and have to discharge there and not take another load out and in the bygone days, in the development of that area, there was always rough land where you would be able at very short notice to run 50 trailers on or something of this nature. This is always the fear with the roll-on/roll-off boats, that there has got to be adequate back-up space on the shore.

DEPUTY BAUDAINS: So what you are saying, in effect, is that your concern is that harbours may attempt to realise the value of land and then you find there is a shortage for the operational side of the port?

MR NORMAN: That is always one of our fears.

MR FORREST: It would be a very sad day when any expansion of companies wanting to expand or if a new company even came from somewhere and had to be turned down because there wasn’t enough room for it to operate.

DEPUTY BAUDAINS: Because it couldn’t be accommodated?

MR FORREST: Yes.

SENATOR VIBERT: Because there is an even greater complication, which is the division now of Property Services, which is part of Planning & Environment, taking over all States’ properties, which includes the harbours and the land on the harbours and the warehouses. So I can understand the port users being concerned about that.

DEPUTY BAUDAINS: In the event of no more questions, do you have any closing comments you would like to make?

MR NORMAN: No, just to thank you for hearing us and inviting us to put our views forward.

**(Mr Norman and Mr Forrest conferred)** Yes, we very much want to be involved in the future.

MR FORREST: As things progress.

DEPUTY RONDEL It is has been very revealing actually, one or two of your comments this morning. Thank you.

DEPUTY BAUDAINS: Thank you for coming.

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