

STATES OF JERSEY
SCRUTINY COMMITTEE
BLAMPIED ROOM, STATES BUILDING

TRUST PORT REVIEW

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

EVIDENCE FROM:

MR ROGER HANKS

on

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DEPUTY BAUDAINS: Welcome to the Scrutiny Inquiry on the Trust Port.

MR HANKS: Thank you.

DEPUTY BAUDAINS: I need to read you this notice, which I think you will find on the table 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.

If I could start the ball rolling, I notice in your letter to Senator Vibert of May 25th, you are comparing trust ports with privatisation.

MR HANKS: Yes.

DEPUTY BAUDAINS: As the current situation stands, we basically have three options: the status quo, which is a government department, the trust port, which is not fully out of the picture, but is now not the favourite option, the favourite option being a company of some sort, a Jersey limited or incorporated company. We have recently come across the extra reading you suggested in your letter from the website. I do not know if other ... we have only recently had it circulated. I do not know if the other Members have had the time to fully appreciate what is in there yet. But I had noticed, when catching up on my reading yesterday, that, amongst other matters, solvency and accountability seem to be major concerns with trust ports. I note also that only about one in seven UK ports are trusts, out of which only 20 have an annual turnover exceeding a million and only one out of those 90 features within the top 10 UK ports. Given that St Helier Harbour is really the Island's only harbour, as far as commercial traffic is concerned, the only competition is external.

I wonder if you could start by clarifying something for me, because in the papers that came with your submission, the DTR paper “Review of Trust Ports”, under paragraph 5, page 4, it states: “*Out of 600 UK ports only around 90 have trust status.*” In another Department of Environment publication, it states that 90% of UK ports have trust status. Are you able to clarify that for us?

MR HANKS: There are about 100 trust ports in the UK.

DEPUTY BAUDAINS: So the 90% is wrong, but the 90 out of 600. Thank you very much.

Would you like to expand on the submission you have made to us with any comments you have in relation to what I have just said?

MR HANKS: Yes. When I saw the advertisement in the paper, I thought perhaps I could bring along some expertise, having been in the UK, working in the ports, for something in excess of 30-odd years and I have also worked in most of the major north European ports loading ships, etc. In the last 20 years, I have worked in Colchester, which at the time was run by the council, which I think you can draw parallels to Jersey, in that it was run by a department of the council, although there was a harbour master who did, like most UK ports, have within the harbour, he was like God, he was the top guy -- there were no doubts about that -- whereas, as a sideline, I just notice in Jersey that everything is by the committee. It is not the harbour master who sets the rules, or doesn't put the signs up, you know. It is “*By Order of the Harbour Master*” in the UK. Here it is “*By Order of the Committee*”.

DEPUTY BAUDAINS: But the harbour master does have certain powers, obviously, delegated to him.

MR HANKS: I understand that, but it is a comment. Colchester unfortunately, because of being run, I think, by a committee eventually finished. It is no longer a port. It is silted up and yet it was what the government at the time wanted. It was an access to inland. It was seven miles up the river. London was only 40 miles away. In its heyday in the eighties, it was doing a million tonnes of cargo a year over the quays, over the three quays, in Colchester. From there, I moved on to Great Yarmouth, which is a trust port, as I say.

The documents you have now are somewhat out of date, in that there is a new standard

set by the DTi, which came out shortly after that, for modernising trust ports, because they did a survey of the whole of the UK trust ports and found that there were certain anomalies in various areas. For example, in Cornwall I think the trust members all had the same surname, which was a little bit peculiar. In Great Yarmouth, the average age of the trust members was 72, and that included one 30 year old. Because of that, the DTi chose Yarmouth as a pilot port to try and push through modern ideas and appraise the systems of working.

They came up with this guidance in the end, which is called “*Modernising Trust Ports*”. You can get that off the website. I can give you the address. It sets out the standards that they think should be achieved by ports in the 2000s. They also suggest that these same rule standards be the same way that you should run a private port as well and, having read the document, I tend to agree that these are the types of standards that any business, especially in the port industry in this case, should try to achieve. That is a background to the situation.

DEPUTY BAUDAINS: Thank you. Senator Vibert?

SENATOR VIBERT: I wonder if I could, while we are on that area, just concentrate on that for a moment. What you are really appear to be saying is that just to say “We are going to make it a trust port” really depends on the type of way in which you make it a trust port. In other words, the way that it is done is extremely important to make it efficient.

MR HANKS: Yes.

SENATOR VIBERT: That is really what you saying. There are trust ports and trust ports.

MR HANKS: Yes. They say in the introduction to this -- I have just highlighted one or two things -- that “*The concept of a trust port has stood the test of time and continues to perform a valuable rôle and support the local vision and national economy.*” It was really set up for areas such as Great Yarmouth, which is, funnily enough, the end of the road. When you get to Great Yarmouth, where else have you got to go?

SENATOR VIBERT: There is nowhere else to go.

MR HANKS: And so the local economy relies on the port, not in the same way as Jersey, in that it is the only way that they can get goods in and out, but, at the same time, there is a lot of trade and industry, a lot of employment in Yarmouth that relies completely on the ports. The

local economy is reliant upon that port existing and being profitable and continuing to be.

SENATOR VIBERT: So I take it that you are saying to the Panel that the method of modernising the port structure is laid down in that new document, the document you are talking about there, which moves it away from the old fashioned or original trust port concept into a more modern port?

MR HANKS: Yes. The old concept looked at all the people, all the various areas of interest, such as yachtsmen and maybe the port users. Funnily enough, the port users were not allowed to nominate anybody to the trust at the time.

SENATOR VIBERT: That was the old concept.

MR HANKS: That was the old one, but you could lobby through the various interests, but you couldn't actually have a person on the board. The unions always had one person on the board, but, under the new scheme, anybody who is selected to the board has to be shown to be fit for the purpose.

SENATOR VIBERT: Yes.

MR HANKS: So the jobs on the board have a proper CV outlined, advertised in the newspapers, and people come forward and then they are interviewed and they are accepted on the board in that way.

DEPUTY BAUDAINS: Would you say that a trust port status is more appropriate to a large port than a small port or is it appropriate across the board?

MR HANKS: I think, under these rules, the size of the port doesn't matter.

DEPUTY BAUDAINS: Right.

MR HANKS: The figures are somewhat distorted. You said about the million pounds turnover, because, under the previous Conservative Government, any trust port that had a turnover in excess of 5 million was told to privatise. So that did take some of the top ports. I can't remember their names offhand, but it did take some of the bigger ports out of the trust port scheme.

DEPUTY BAUDAINS: Yes. I found it curious that the figures were, as you say, very few with a turnover of over a million pounds and only apparently one major port was a trust. I wondered if

it was because the trust entity was more suitable to smaller ports than perhaps to medium ports and any major ports.

MR HANKS: No, I think it was ----

DEPUTY BAUDAINS: St Helier may be small compared to a major UK port, but it is our only port, so it would be a major port to us.

MR HANKS: Some of the big ports -- I think you will find that Dundee perhaps was one of the major ports, which was the first to privatise because their turnover was in excess of 5 million. When the new government came in, the rules were still there, but they didn't encourage it. I think Dover should have gone, but it never did. It still has trust port status.

DEPUTY BAUDAINS: Senator Le Maistre?

SENATOR LE MAISTRE: I think that, as we have approached this subject from the point of view of scrutiny, some of us, certainly speaking for myself, come at it with absolutely no knowledge at all, which is probably sometimes not a bad thing. What I have been trying to understand is the differences which could be appropriate, as far as Jersey is concerned because of our small size, our uniqueness and the fact that it is our only port, and trying to look at the question of the structure of trust versus commercial company, both in financial and operational terms. Now, I wondered if you could shed some light, because, obviously, with your vast experience, it seems to me that you probably have at your fingertips some of the elements which are the key drivers in both scenarios which can have a positive or negative impact on a place which is a bit unique, such as ourselves.

MR HANKS: Well, the first point on the financial side is that any money in a trust port, any profit that is made, goes straight back into the trust. It doesn't get sent anywhere else. As far as the operation of the company is concerned, if you would like to call them the trust members or the board of directors, as I said earlier, in a trust port they are advertised so you have got people, hopefully, fit for the purpose because they have been chosen for their expertise, not necessarily in ports, but perhaps in finance and personnel or whatever. Whereas on the commercial side, of course, you have board members that get there by some means or another; maybe they are a shareholder or whatever. They are not necessarily the experts that perhaps you would want. The

good commercial company would perhaps be astute enough to say “Well, we don’t want this guy, even though he is a major shareholder, on our board because he is no good. He is in business. He has got a lot of money, but that’s it.” But that’s the basic difference between the two.

SENATOR LE MAISTRE: Right. So will you be saying that the commercial structure of a company, which is frequently bottom line driven, could be or could make the Island vulnerable in a sense because you need ... the purpose of the port is actually to stimulate the economy within, or at least enable it to work properly, and is the aggression within a commercial structure likely to be negative, potentially negative, compared to the trust, which is not maybe as bottom line driven as a commercial company?

MR HANKS: It would depend how you set it up and how you chose the members of the board for the commercial company.

SENATOR LE MAISTRE: Yes. So you believe that that is one of the key drivers?

MR HANKS: Absolutely. I mean, the board, the members of the trust, are, if you look at this -- they suggest this document should be the same for a commercial port as for a trust port -- if you use these guidelines, the driving factor is the people at the top.

SENATOR VIBERT: But would the potential exist, for instance, for, let us say, there was a lot of yachting in a particular area, a lot of pleasure boating activity, and the emphasis would go away from the commercial enterprise by the board to look after the interests of that kind of leisure industry if you had people on the board who were sort of potentially holding in favour of pleasure boating?

MR HANKS: If that became the majority of the board, you can’t avoid that.

SENATOR VIBERT: I take it there is no way of balancing that?

MR HANKS: Well, if you set up certain ground rules, I think there is no reason why you can’t have a board that is fit for the purpose in a commercial enterprise in the same way you can with a trust port.

SENATOR VIBERT: Hmm.

MR HANKS: You can interview people and elect your board as you want to.

SENATOR VIBERT: Thank you.

DEPUTY BAUDAINS: Deputy Rondel?

DEPUTY RONDEL: What quality changes have you actually seen where you have gone from a trust port to private enterprise? Are they still looking after the local infrastructure, although I think you have already said they are commercially driven, or are they ... if the parameters are set, i.e., by the government in the first instance, are they staying within those parameters or are they trying to have things altered?

MR HANKS: I can't really comment on that because, as I say, I am not sure as to how many of the major ports actually became commercial. I think Dundee, as I said, was one of the first ports. But my experience would say that once commercial enterprise takes over, then it does become, as someone said earlier, bottom line driven. There has got to be a profit because the shareholders expect a profit at the end of the day, and that profit doesn't go back into the port.

DEPUTY BAUDAINS: Deputy Hill?

DEPUTY HILL: Could I just ask, how familiar are you with the Jersey set-up?

MR HANKS: I have a certain amount of interest, in that I am the manager of a small shipping company, as I mentioned earlier.

DEPUTY HILL: So you are aware of the way as an Island we have a port, our main port, and everything comes here, with the odd exception with Gorey, where get a few French day trippers. Bearing that in mind, we have got our main harbour which we hope will bring in the money, the profit, but, of course, there is also the loss account, the Rozel harbour, the Bouley Bays and the Bonne Nuits etc, which I gather come under the auspices of the committee. How would you see a change come about if indeed we had a trust? Could a trust still incorporate, having under a trust responsibility for the other harbours? I am talking about Gorey and ... Do you know Gorey that I am talking about?

MR HANKS: Yes, of course I do.

DEPUTY HILL: The harbours around the Island.

MR HANKS: I don't think there is any change, whether it is a trust, commercial or the way it stops at the moment. It is a decision you have to make when you set up the trust do you want to keep all these small harbours? Do you want to keep the money and are you willing to bear the

cost, you know, if there is a negative cost for them.

DEPUTY HILL: From your experience, have you had any other ... has there been anything similar to the Jersey set-up? Jersey is a small environment.

MR HANKS: It is completely peculiar. I mean, there are similar set-ups on the Continent to a certain extent, in that the local areas ... our ship that actually comes into Jersey, it comes from a place called Vidica (sic), which is 20 kilometres outside Rotterdam. That is a small community port. As far as the private enterprise, you know, private stevedores, that the actual harbour is run, the States puts money in, although I think that is contrary to European rules, but they still ---

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DEPUTY HILL: That does not come from the actual trust itself?

MR HANKS: No.

DEPUTY HILL: So there is no linkage between the trust and the other ports?

MR HANKS: No.

DEPUTY HILL: In other words, if we had a Jersey trust, the trust should really be focused in looking after the St Helier operation and not really ... there should be a separation of responsibilities between what we have in town, in St Helier, and what we have in the country.

MR HANKS: I am not close enough to Jersey yet to be able to comment too much on that, except that all these ports must be important historically that you have been using them and if you don't need them any more ----

DEPUTY HILL: But from a commercial point of view.

MR HANKS: Then perhaps you have to look at other ways of making money out of them. Perhaps the commercial side is not just for putting ships in. There is the yachting side, as somebody else said. Maybe somebody with more vision could perhaps develop those other sites commercially. Develop them if there is any land attached to them for hotels or whatever, marinas or yachting facilities.

DEPUTY HILL: Yes.

DEPUTY BAUDAINS: Deputy Rondel?

DEPUTY RONDEL: Yes. You mentioned, I think in your opening remarks, that you were

preparing an interest in a small shipping company?

MR HANKS: Yes.

DEPUTY RONDEL: Is that local?

MR HANKS: It is a Guernsey company, but we have a Jersey registered company.

DEPUTY RONDEL: Could we be told what it is for the record?

MR HANKS: Yes. Allied Shipping is the parent company and Channel Logistics is the Jersey wholly owned subsidiary.

DEPUTY RONDEL: Thank you very much.

SENATOR VIBERT: Are you part of the Port Users Group?

MR HANKS: No.

SENATOR VIBERT: Any reason for that?

MR HANKS: They don't want us on it, but I don't think perhaps we should discuss that here.

It is not part of the trust discussion. I didn't come to talk ... I didn't want to come along here and make any ----

SENATOR VIBERT: Except that they have made a submission to us.

MR HANKS: Hmm.

SENATOR VIBERT: And we would like to know who is not and who is part of it.

MR HANKS: Of course.

DEPUTY BAUDAINS: Could I go back to some of the material that we have been reading, because, according to the committee who is driving our move towards a trust or incorporated entity, one of the main advantages of the trust is that it cannot be sold off at any time, either in part or in whole, and yet we learn that in the UK five ports have been privatised. Is that a quirk of the UK legislation, or could that happen here as well?

MR HANKS: Well, it is up to you.

DEPUTY BAUDAINS: It depends how it is set up.

MR HANKS: It depends how they set it up, but it was the Conservative Government who were pushing privatisation in all fields, in the railways, ports and everything.

DEPUTY BAUDAINS: Do we have any other questions? Deputy Hill?

DEPUTY HILL: Could I just ask, again, from your experience of other ports etc, how would you perceive Jersey to be, an efficient port or?

MR HANKS: I would say ----

DEPUTY HILL: No one will sue you if you say anything.

MR HANKS: It reminds me much of the time of the UK in the 1960s.

DEPUTY HILL: So you would say that we badly need modernising?

MR HANKS: I think, as far as the operation is concerned, yes.

DEPUTY HILL: And also the cost. Would you say it is a little bit more expensive to come here or on a par with other places?

MR HANKS: Not a lot of difference. You have a different structure here, which I think they are trying to change.

DEPUTY HILL: Yes, but if indeed we appear to be operating from a sixties sort of experience and if we are still efficient and charging the same amount in 2004, it could be seen that, pound for pound of efficiency, we are obviously making savings somewhere along the line. You are saying our costs base here is not that much more than it would be elsewhere?

MR HANKS: It is very difficult to ... I mean, I don't know all the costs that are involved in the ferries, which is the major contributor to your ----

DEPUTY HILL: No, but you must know when you come in with your ----

MR HANKS: As far as our small ship is concerned, the costs are very similar to ones in the UK, but we are talking very small tonnages on our ships compared to the major contributors to the port, which are the ferries and the like.

DEPUTY HILL: Just to summarise then, even though it may be perceived that we are operating in the sixties, our costs base is similar to that operating wherever, if you were operating outside of Jersey.

MR HANKS: For our particular company and a small ship, yes.

DEPUTY HILL: Thank you.

DEPUTY BAUDAINS: Deputy Rondel?

DEPUTY RONDEL: Yes. You mentioned operating in the sixties, which is quite interesting.

Do you see the labour force within Jersey, i.e., working within the States' department, i.e., you said the harbour master etc, do you see a larger number of individual persons working within the maritime industry, i.e., the commercial side, being civil servants or public officers (I suppose you would call them) in Jersey compared to, shall we say, a similar sized port in the UK? Are we over staffed?

MR HANKS: Without seeing all the harbour, you know, the workings of the harbour, I cannot comment totally, but Great Yarmouth, which has something like 3,000 ship movements a year, which are not ferries, not regular callers, so it is a seven day a week, 24 hour port, with a lot of oil ships coming in all days and times of the day and night, and cargo ships as well, general cargo ships, 100,000 tonnes of fertiliser and various other commodities, it operates with a harbour master and two deputies.

SENATOR LE MAISTRE: To give cover effectively?

MR HANKS: Yes.

SENATOR LE MAISTRE: Seven days a week.

MR HANKS: Yes.

SENATOR VIBERT: Whilst we are on the staffing situation, how did the trust or the trust port handle the change over from council employees to trust port employees? Were there any problems with the unions in that area?

MR HANKS: All the trust ports have been trust ports for a long, long time, so it is ----

SENATOR VIBERT: I am sorry.

MR HANKS: I haven't had any ----

SENATOR VIBERT: Are you aware of any new ones that have come into trust port?

MR HANKS: No. I was involved in the stevedoring operations in 1988, when the Government scrapped the legislation that came in just after the war, where dockers had jobs for life and every port attacked that problem in a different way. It is true to say that the number of dockers decreased totally throughout the country. Some ports sacked all their dockers, because they got £35,000 each redundancy, and took them on the next day as a private stevedoring company. Other ports closed down their whole stevedoring operation and for six months they struggled

while they trained new people that didn't have all the old habits. I think it is those ports that are successful now.

SENATOR VIBERT: Right.

DEPUTY BAUDAINS: Could I ask? I think it is fairly widely recognised that because St Helier Harbour is our only true commercial harbour a degree of political control should remain in that area. I believe that was made by the Committee when we interviewed them. Clearly that doesn't sit well with a trust port. Is it possible to retain a degree of political control over a trust port, or would that make a company of some sort more appropriate?

MR HANKS: I think you can set up a company where you have just as much political or even more political control than you will on a trust port, especially if you don't go for the fit for purpose type board of directors. You could choose, so you can have one officer from each committee to be a director of the private company.

DEPUTY BAUDAINS: Yes, but with a trust port, as I understand it ----

MR HANKS: With a trust port, it wouldn't work, if you follow the rules that are set down, but you can make the rules. I mean, you can say "This is the guidelines that I have, but I don't necessarily need to follow those in Jersey because we are not the UK."

DEPUTY BAUDAINS: I mean, one of the things I was thinking of at a previous interview was that Jersey might decide that it would run certainly all or part of its port at a loss for the benefit of encouraging the tourism industry or any other industry and it would not have that degree of direction over a trust port, as I understand it.

MR HANKS: I think it is a bit ... going back to Colchester and the experience there, there are three ports on the river at Colchester and one of them was Rowhedge which had one council member, and he had 647 people voted for him in the election there and he would never be in favour of a port because the local residents didn't like the port on their doorstep. So commercial decisions etc just went out the window because this guy ... you know, he was quite open about it. You know, he said "I've got 647 people vote for me. If I say yes to this extension of the port or extension to the working hours or whatever, they are not going to vote for me, so I am going to be out."

SENATOR VIBERT: Rather like the Deputy of St Peter in Jersey with the airport.

MR HANKS: Yes. It is similar, a parallel, yes.

DEPUTY BAUDAINS: Deputy Rondel?

DEPUTY RONDEL: Can I come in on the back of what you have been saying there? As an operator within the Island, although you say you are a small operator, what would you like to see for the port of St Helier?

MR HANKS: Better facilities. You are talking containers now? So more modern cranes, which I think is on the agenda anyway for the future, better working practices, which I think is important, more flexibility.

DEPUTY RONDEL: Do you believe you are going to get the better working practices and better facilities etc under the existing system, i.e., statutory control, or do you believe that would come about through a private company or a trust port or some other hybrid system?

MR HANKS: Well, the system that exists now is through the States' control?

DEPUTY RONDEL: Yes.

MR HANKS: So you can change it, but it hasn't been changed for however many years you have had the States control the harbours. Whether bringing in a new system, if you have all the same people involved under a different name, would make any difference or not, I do not know. It is how you set it up.

SENATOR VIBERT: Do you share the concern of other port users about the about the fact that that particular area that we are talking about is becoming a mix of residential as well as commercial, and some port users expressed the fear that the people in the residential areas are going to start complaining once they live there about the noise of the port and the running of the port, if you want to run a 24 hour operation, for instance. It could well impinge on their neighbourhood, as it were.

MR HANKS: Yes.

SENATOR VIBERT: Has that view ever been expressed by yourself? Do you see anything in that?

MR HANKS: Yes, and I have thought about it because, again, if I can go back to Rowhedge,

the company which is an offshoot of ABP, which is Associated British Ports, that ran Rowhedge Port put in -- they called it the Burma Road, which is a mile long track -- a concrete track, for lorries to go to bypass the village and they paid for that themselves. It was very successful and the villagers were very happy.

SENATOR VIBERT: Hmm hmn.

MR HANKS: There is a corner of land at the entrance to this which wasn't theirs and somebody decided to build three bungalows.

SENATOR VIBERT: Hmm hmn.

MR HANKS: The port had been working 7.30 till six o'clock at night for however many years since this road was put in. As soon as the bungalows were put in, within six months the people had been complaining that the lorries are going past their window at seven o'clock in the morning. So it is exactly that. You wonder whether the people that live in the flats opposite the marina will start moaning about the noise of the wires hitting the masts and things like that.

SENATOR VIBERT: Yes. Some of the flats are going to be fairly highly priced, I would think so.

MR HANKS: Yes.

SENATOR VIBERT: And certainly that view has been expressed to the Panel and I appreciate what you have told us.

MR HANKS: It is human nature.

SENATOR VIBERT: Thank you.

DEPUTY BAUDAINS: Do we have any more questions? Deputy Hill?

DEPUTY HILL: Could I just come back again to the port trust and this question of accountability? At the moment, our Committee is accountable to the States as a whole. How do you see accountability working through a trust? Who would the trust be accountable to?

MR HANKS: Can I just ... I mean, I could sort through here and it does have a whole section on accountability.

DEPUTY HILL: But do you think, as a rule, accountability, once it goes to a trust, there is a general acceptance that the accountability method is satisfactory?

MR HANKS: You make the rules.

DEPUTY HILL: You make the rules so there is always accountability.

MR HANKS: Whoever sets up the trust says “These are the rules you abide by and we won’t need to be accountable to X, Y and Z.”

DEPUTY HILL: But, by and large, if the criteria is in the right spot, in the right place, accountability follows?

MR HANKS: I personally think ... you know, I have read this several times and I think this document is an excellent ... it is set out ----

SENATOR VIBERT: I am sorry, can you give us the name of that document?

MR HANKS: Yes. It is called “*Modernising Trust Ports: A Guide to Good Governance*”. You can take this copy, if you want.

SENATOR VIBERT: No, we will find it.

MR HANKS: If you want I will hand this over to you.

SENATOR VIBERT: Thank you.

DEPUTY BAUDAINS: Senator Le Maistre?

SENATOR LE MAISTRE: I think that there has been concern expressed, probably it is the fear of the unknown as to a different structure could have the benefits of modernisation in terms of work practices and so on really -- we know that -- but one of the concerns expressed has been that, whilst some of the activities (and in particular the charging for activities) in the commercial scenario might be good for the company, if it was a commercial company, it may have an adverse impact on the Island as a whole. I mean, to take it at a very simple level, a bit like airports really, if the charges were to go up dramatically for passengers coming in, that could be a deterrent for people to actually come to Jersey on day trips or whatever. However, the company could take the view that actually it is likely to attract sufficient people at a higher cost to make it more worthwhile for the company than the other route. I think that seems to me to be one of the areas where concern has been expressed. Now, would you be saying to us that, whether it is a commercial company or a trust port, those dangers could exist, could continue to exist? I think that is where the sort of questions have been coming in terms of political control (I

think is a bit of a strong word, but it is an influence) which sees the benefits to the wider community, particularly when you are in an area with only one port, there is no commercial sort of balance here, where a port will sort of out price itself.

MR HANKS: Again, looking back to earlier, it is how you set the rules.

SENATOR LE MAISTRE: Yes.

MR HANKS: The difference with a pure commercial company is that the money goes back to the shareholders. Now, the shareholders might be the various committees. It might be tourism, it might be whatever. So there is a way to get money in one side and it is an accounting function and it is going back out the other way. But the trust port rules in the UK are quite clear, that the money actually goes, all the profits go, back into the port. That could, again, be a benefit because you could have more modern equipment, more modern handling, with perhaps less overheads, so your price does not go up, but you can put money into the port to have better facilities for everybody, which might encourage people.

SENATOR LE MAISTRE: Yes. So it could be seen effectively as the port is owned by the people.

MR HANKS: Hmm.

SENATOR LE MAISTRE: Because that is the asset.

MR HANKS: Hmm.

SENATOR LE MAISTRE: And the money is being ploughed back into that ownership effectively.

DEPUTY BAUDAINS: Deputy Rondel?

DEPUTY RONDEL: Yes. I believe you answered this earlier, but just to clarify something in the back of my mind. As an interested party, obviously through your connection with the harbour, proposed changes in Jersey Harbour, do you consider that the consultation which in fact has been held so far by the Harbours Department is inclusive with all stakeholders?

MR HANKS: I do not know. I mean, the meetings that I go to are very selective. There are most of the port users attendant, the linesmen, pilots, which can be seen as stakeholders. I don't know what other meetings they have that perhaps we don't get invited to.

SENATOR VIBERT: As a non-member of the Port Users Association do you have a line of communication with the authorities, in terms of being advised of what is happening?

MR HANKS: Well, anything unusual or anything particular you want to bring up, the only line of communication is for us to write or contact the harbour master or the chief executive. We can have a meeting that way. We have a monthly, which started off as safety meetings that the new harbour master instituted when he first came in, and that has sort of expanded to other bits and pieces, although primarily it is about safety.

SENATOR VIBERT: So it is like a management meeting. It is a sort of management meeting of the various stakeholders.

MR HANKS: Yes.

SENATOR VIBERT: Do you think that is satisfactory? Are you happy with that situation?

MR HANKS: I would rather see that the whole port users sit round the table.

DEPUTY BAUDAINS: Would you ... I mean, it springs to mind that the consultation that has taken place there obviously is consultation, but it does seem to me that it is rather fragmented. You are suggesting that it should be more inclusive?

MR HANKS: Yes. I was secretary of the Port Users in Great Yarmouth and everybody that was a port user was a member of the Association and met with the harbours on a regular basis.

DEPUTY RONDEL: Do you know of other port users within the Jersey confines who find themselves in the same position as you?

MR HANKS: It depends where you draw the line on port users.

DEPUTY RONDEL: Well, excluding the yachtsmen and the Yacht Club, shall we say?

MR HANKS: Yes.

DEPUTY RONDEL: I am talking about commercial.

MR HANKS: I think we are the only regular company that brings ships to the port that aren't a member of the Port Users Association.

DEPUTY RONDEL: Could I just come back in on that? To become a member of the Port Users Association, is there a fee to pay? How do you become a member?

MR HANKS: You approach them and ask them "Can we join your association?"

DEPUTY RONDEL: Oh right.

SENATOR LE MAISTRE: And you have done that, presumably?

MR HANKS: Yes. I think I'm a little bit on tender ground here. I don't want to use this as a political platform for Channel Logistics or Channel Seaways.

SENATOR LE MAISTRE: No, no, I understand, but we are trying to understand.

MR HANKS: Yes. We have approached them many, many times.

SENATOR LE MAISTRE: Yes. because we may find others who are not members as well, so I think it is factual rather than looking at the reasons behind it.

DEPUTY HILL: Could I just endorse that, because it was a question that I did ask when we had a previous hearing. I did ask actually was there some concern and the answer was "Yes". There could be a better platform for you to have some form of organisation for yourself, whether that should be you as an individual forming it, are getting others or whether that should come from the top to ensure that they are getting their liaison better, but just coming back on that one, Jean.

MR HANKS: Just on experience, before I took over as secretary, the previous secretary had been a professional paid and his idea was to get 100 members, so we had the newsagents that supplied the papers to the ships was a member of the Port Users. You can argue that because, to a certain extent, his livelihood depended on it. But we then looked at this and we brought it down to actual people that paid dues into the harbour, the port users and all the oil companies etc all had representatives.

DEPUTY BAUDAINS: Going back to basic principles and what I started with when we opened, there were, or in our paperwork we have seen, many contraindications of trust ports for various reasons mainly to do with the quality of governance, but would you say that the modernising of trust ports has now addressed that and most of these contraindications have been resolved? You were mentioning earlier about the constitution of some of the boards might have left something to be desired. That has now raised the quality of trust ports to the ----

MR HANKS: Sorry, that was the UK before the whole thing had gone through. I can speak from experience with Yarmouth still because I still keep in contact with them, and that seems to have been very successful. The Government did say that the ports had a certain period of time to

bring in all these new rules and regulations. Whether they have actually got round to auditing it and making sure it is happening, I don't know.

DEPUTY BAUDAINS: But, assuming that these new processes are up and running, would it be your opinion then that the major problems which appear to surround trust ports have been stripped away?

MR HANKS: Yes.

DEPUTY BAUDAINS: Thank you.

MR HANKS: I just came across this, trying to fumble through in between questions, about trust ports. It says "*Trust ports are independent statutory bodies each governed by its own unique local legislation and controlled by an independent board. Their common feature is their unique status as trusts. There are no shareholders or owners and any surplus is ploughed back into the port. The port ensures that both the port and its users, all those individual organisations and groups having an interest in the operation of the port.*" So I think that covers a lot of the things that have been discussed here.

DEPUTY BAUDAINS: Yes. Any Panel Member have further questions?

DEPUTY RONDEL: No. I am fine. Thank you.

SENATOR VIBERT: No. Thank you.

DEPUTY BAUDAINS: Do you have any further comments you would like to make?

MR HANKS: No. I hope I have answered the questions you have.

SENATOR VIBERT: You have indeed.

MR HANKS: Thank you.

DEPUTY BAUDAINS: Thank you very much for attending and helping us.

MR HANKS: Thanks very much.
