

# STATES OF JERSEY

## OFFICIAL REPORT

**TUESDAY, 15th FEBRUARY 2011**

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**The Roll was called and the Vice Dean led the Assembly in Prayer.**

[9:30]

**APPOINTMENT OF MINISTERS, COMMITTEES AND PANELS**

**1. Nominations for the position of Minister for Housing**

**The Bailiff:**

We come then to F, Appointment of Ministers, Committees and Panels and first of all a nomination by the Chief Minister to the position of Minister for Housing.

**Senator T.A. Le Sueur (The Chief Minister):**

I would like to nominate Deputy Andrew Green of St. Helier as Minister for Housing.

**The Bailiff:**

Is that nomination seconded? **[Seconded]** Are there any other nominations for the position?

**Deputy J.A. Martin of St. Helier:**

I would be pleased to nominate Deputy Geoff Southern for the position, thank you.

**The Bailiff:**

Is that nomination seconded? **[Seconded]** Any other nominations? Very well, so there are 2 nominations. Then the procedure is laid down by Standing Orders: it requires that each Member is given the opportunity to address the Assembly for up to 10 minutes. A bell will be rung after 9 minutes and at 10 minutes, no matter what the Member is saying, he will have to stop. Then the other candidate will be taken by a member of the Greffier's staff to somewhere where he cannot hear what is being said. The order in which it will take place is Deputy Green will address the Assembly first and then be questioned for up to 20 minutes and then Deputy Southern will address the Assembly and be questioned for up to 20 minutes. So, Deputy Southern, would you be kind enough to withdraw with the Greffier's representative. Very well, I expect he is far enough away not to hear so, Deputy Green, would you like to address the Assembly?

**1.1 Deputy A.K.F. Green of St. Helier:**

Good morning, Sir, and thank you. I stand here today with 10 minutes to convince Members of this Assembly that I should be the one to take up the portfolio of Minister for Housing and, if successful, what I will do in the few months that remain before the elections. I hope if Members are not already sure of my skills to, in the short time I have, convince them that I have the right qualities. Those of relevant experience, particularly in change management; those of compassion; vision; integrity; and a propensity for hard work, to name but some of them, and that contrary to what was in the *Evening Post* on Friday night, I do want this job. I stood for the States to make a difference and I think this is one of those opportunities to do just that. Had I not been nominated by the Chief Minister I may well have stood for the post independently in any case. Before moving on to outline my policies and my visions for the department I would like to pay tribute to Deputy Power for the considerable amount he has achieved in his short time as Minister for Housing. **[Approbation]** I wish to build on the work of Deputy Power and the officers; there is much to do. Having said that, there is also much that is good. We can be proud of 80 per cent of our housing accommodation, but it is the other 20 per cent that should concern us and that which we should be ashamed of, with £46 million outstanding maintenance and when we put that right all we have done is stood still. There are currently 385 families on the waiting list with 15 disabled families waiting for suitable adaptive accommodation. I am sure there are countless others living in substandard accommodation who do not qualify to appear on any waiting list, and I will come back to that later. This Island needs a framework which will meet the legitimate expectations of all Islanders and I will strive to build on and introduce policies that will support the whole of our community.



Policies that will deliver good quality social housing, policies that will support and make it possible for young couples to aspire to home ownership. Policies that support and assist the homeless and policies that will assist particularly the under-25s. Laudable though all this is - and it must be achieved in time - this cannot be completed in the short time that we have before the next election. I would, therefore, propose to concentrate on the challenges or some of the challenges as set out in the 2009 Whitehead Report on social housing and to lay the foundations on which I can build. If successful in gaining the Minister for Housing post today and if successful in being returned to represent St. Helier Districts 3 and 4 at the next election, and if I can convince the new Chief Minister and the Assembly to allow me to carry on the role ... I am beginning to sound like Rudyard Kipling. If all these factors come together I would be in a position to continue the work that I intend to start if successful today. The Whitehead Report came up with a number of recommendations but also concluded that while the Housing Department was operating as effectively as possible within the current policy and financial regime, it cannot hope to maintain in the 21st century a social housing sector, which is value for money, without change. The report that went out set a number of options, which I know Deputy Power has started work on which must be of high priority. Those options included maintaining the *status quo*, which to my mind is not an option in this case, it is broken, it does need fixing; the development of an arm's length, States-owned management company; the development of a hybrid training company or sale to a newly created social landlord. The options I know the department are considering at the moment are transfer to a wholly-owned housing association or the development of an arm's length, States-owned management company. My own view is that the latter is the way forward but that is entirely based on my current knowledge, therefore, before finally concluding the way forward, I need to develop a greater understanding of the situation and seek the views of others. But whatever mechanism is chosen the department has to be more financially flexible, has to be able to borrow against capital assets, and has to provide as well as encouraging others to provide social housing to a high standard for all that require it, at a price that is fair and at a price that the States can afford. Alongside this, an environment must be developed which will support and make it possible for young couples who aspire to home ownership, to help them fulfil that dream. This may well mean the development of some sort of new States loan scheme, which I undertake to investigate. I bought my own house on a States loan scheme and I know without it I would not have achieved that dream; or sometimes it is a nightmare - my house needs a new roof. That said, the scheme as I know it cannot go ahead tying-up for 30 to 40 years millions of pounds of Treasury money.

[9:45]

That is just not viable today, we need to be more creative and I seek to find ways to be creative. The department must develop policies that support and assist and hopefully prevent homelessness working with Health and Social Services particularly, and there is much work to be done around the under-25s, and some of that is around affordability. It goes without saying, whatever form the revamped Housing Department takes, in the future it must be subject to proper financial oversight, good governance and regulated in order to achieve best value for money. The question of regulation, or to be more precise the lack of it, has to be addressed. It is very difficult to be provider and regulator, it is something that will need to be sorted. All social housing providers, whatever form they take, whether publicly run by the States, whether a housing trust, whether an association, should be of course subject to regulation and accountable to any future regulatory authority set up to deal with this matter. In 2009 this Assembly agreed P.74, the Residential Tenancy (Jersey) Law, as amended, which will provide for written contracts in the non-qualified sector and security of tenure, as well as the deposit protection scheme for the first time. I am pleased - if Members do not know - to advise them that is currently with the Privy Council. I have spent 2 or 3 days with the department going over different things, asking questions, doing my research and they tell me that this is at Privy Council at the moment. The law and subsequent regulations will not, however, improve accommodation standards in the non-qualified sector. There is much work to do here and we need to improve standards. Controlling population by

requiring non-qualified Islanders to live in substandard accommodation is wrong, immoral and unacceptable. Before I summarise and conclude there is one other area which will get my immediate attention and that is one of access to the department by the public, or to use jargon, there needs to be greater emphasis on customer focus. I never know whether to use the term customer, client, tenant, member of the public, but we will just call it customer today. I know that the staff at Housing do their best to carry out site visits but it is not enough. The current reception is not suitable, it is not welcoming and not appropriate, and with the demise and closure of the States Help Centre in Cyril Le Marquand House frankly there is nowhere for customers or residents or the public to go. Access to information other than on the States website is by appointment only, and as a slight aside, Sunday before last I drove past the current offices with my mother and in passing said to her: "Well if all goes well I will be working in there soon." To which she replied: "You are lucky, no one else can get in there to see anyone." **[Laughter]** Perhaps this is not strictly true but that is the perception. It is the environment - not the staff - that is far from welcoming and we must change that. In conclusion, if elected, I will continue the work already started by Deputy Power and set out a framework of policies, which will support all Islanders in achieving appropriate access to good quality homes where they are purchased for owner occupation or rented in the public or private sector, whether qualified or non-qualified. In the time allocated I have not been able to cover all the areas of responsibility but I have no doubt that Members will pick up on some of these in their questions. Thank you. **[Applauding]**

#### **1.1.1 Connétable J. Gallichan of St. Mary:**

Doing just that, picking up on something, Deputy Green made at least 2 specific references to the housing needs of the under-25s in his speech. I would be grateful if he could be a little more specific as to his intentions in this area?

#### **Deputy A.K.F. Green:**

I just know how difficult it is for young people to fly the nest; I know it is a problem that we need to look at. I am fairly new at this and I do not have any specific plans for the under-25s but it is something we need to do. Not because of the article recently in the *J.E.P. (Jersey Evening Post)*, my constituents have been telling me there is something we need to do. There is also some work that needs to be done about getting some of these people appropriate opportunities for employment which will help them find housing. So I will work on that.

#### **1.1.2 Deputy P.J. Rondel of St. John:**

Given the candidate's stance on Pomme d'Or Farm, if he finds when elected as the Minister for Housing that there is greater need in other States properties, i.e. our housing properties, for renovation work and the like, how will he prioritise this work given his stance on Pomme d'Or Farm?

#### **Deputy A.K.F. Green:**

When I started my work on Pomme d'Or Farm, which has been going on for about 2 years now, I had no idea I would find myself in this position today. That said, Pomme d'Or Farm has to go ahead. I have been promised that it will go ahead and it has to. I know there are other areas of accommodation, we have got £45 million of outstanding maintenance. I will pull together a programme and attempt to find the money. That may be around the sale of some of the properties, I do not know, but we must get that maintenance done because I am told that La Collette Flats particularly are as bad, if not worse, than Pomme d'Or Farm, and I give my undertaking to work hard to improve the situation.

#### **1.1.3 Deputy J.A. Martin:**

Actually La Collette Flats were before Pomme d'Or Farm, some people can roll over, and that is what I would like to ask the Deputy, if he is going for this position. He keeps talking about forward, a way forward, a future of good financial oversight; I want a categorical assurance from

him that in the last 2 or 3 years, Le Squez - the Homebuyers Scheme ... I think, has possibly lost millions. The Chief Minister is not prepared to look inward: as Minister of Housing is he prepared to look inward and make sure that we do not lose millions on land that we own and schemes that suit some people and bar many other people? Will he be a leader or will he be a nodder?

**Deputy A.K.F. Green:**

I do not think I have ever been known to be a nodder and anyone that wants confirmation of that speak to the Minister for Education, Sport and Culture. I will be a leader and I will look at the Homebuyers Scheme, but we need to find a way of providing affordable homes for young couples who aspire to home ownership. The Homebuyers Scheme, as I understand it, was a planning initiative and if there were any mistakes made there we need to learn from that, and I will ensure that I do look at that and learn from it and come forward with improvements.

**1.1.4 Deputy K.C. Lewis of St. Saviour:**

My question has been touched upon. How would the Deputy see his priority as Minister for Housing in relation to all the maintenance that has sadly been neglected regarding budgets over the last few years? My own Parish of St. Saviour has several estates that need bringing into the 20th century, and where would the Deputy find the money?

**Deputy A.K.F. Green:**

I do not know where I will find the money at the moment. There are years of lack of maintenance, years of neglect; it needs to be worked on. That may be around being more creative around selling some of the properties perhaps that do not fit naturally into our portfolio, although as a general principle I will say I do not agree with selling our housing stock. I do not know, that is a piece of work that I need to do. I have only been looking at this job for about 2 weeks.

**1.1.5 Connétable A.S. Crowcroft of St. Helier:**

Would the candidate, if successful, undertake to review the parking currently in the Housing Department's portfolio, and does he not agree with me that it would make sense if most of that parking, if not all of it, was available for residents and visitors to the Parish rather than rented out on highly lucrative leases?

**Deputy A.K.F. Green:**

I was not aware until recently that any parking was rented out, but I have to say I am now aware. It does need to be looked at, we do have - particularly some of our older residents - who are socially isolated because their visitors cannot park near where the people that they are visiting live. It is a piece of work I undertake to look at. I do not have any magic wands but I do undertake to look at it; I am going to be very busy if I get the job I think.

**1.1.6 Deputy R.G. Le Hérissier of St. Saviour:**

One of the issues that has been alluded to is the number of people in housing who do not subject themselves to means tests and are rightly or wrongly thought to pose a blockage in the system. What would the Minister do about this situation?

**Deputy A.K.F. Green:**

The current rent system does create unintended subsidy for some tenants and I believe, in the short time I have been looking at this, that the housing transformation programme commenced by Deputy Power will bring about changes to the current rental policy. This will address, I think, some of the issues of hidden or unintended subsidies, it is work to be done but I believe it will help to solve that problem.

**1.1.7 Deputy P.V.F. Le Claire of St. Helier:**

Co-op housing is considered by many countries in jurisdictions to be a positive way of helping people obtain affordable housing. If elected Minister would the Deputy be willing to instigate a co-operative housing scheme in Jersey?

**Deputy A.K.F. Green:**

I do not know enough about it to say yes I would be willing to instigate it, what I would be willing to do is certainly investigate it.

**1.1.8 Deputy A.E. Jeune of St. Brelade:**

Would the Deputy assure us that if he were to be Minister for Housing he would commit to deliver C.S.R. (Comprehensive Spending Review) savings and work within the budget limits that have been set?

**Deputy A.K.F. Green:**

Every department has to make its contribution to C.S.R. savings and keeping within budget, that said I will fight my corner very strongly to ensure that the Housing Department gets a fair crack of the whip.

**Deputy A.E. Jeune:**

That is not an answer to the question I asked.

**The Bailiff:**

Well I think it was.

**1.1.9 Deputy M. Tadier of St. Brelade:**

We hear much talk of various schemes in order to be able to introduce affordable housing into Jersey. Does the candidate accept that ultimately house prices and, therefore, rental prices are ultimately driven by market forces and, if so, what will he do to tackle the market forces, which are the problem with affordable housing in Jersey?

**Deputy A.K.F. Green:**

To deliver affordable housing we need 2 things, we need land and we need the willingness to do it. I undertake to look at it, I have no magic solutions. I have no magic solutions but I know that we need to provide young couples who aspire to house purchase, houses they can afford to buy. There are a number of schemes around that, some of them that on sites allow a percentage of the houses on that site to go out at subsidised prices, if you like, or affordable. There are other ways that we can do it. I need to look at it, I have no magic answers, I am still learning.

**1.1.10 Deputy R.C. Duhamel of St. Saviour:**

With regard to town and built-up area regeneration, what does the Deputy consider to be a maximum unit density and a maximum average density of build in terms of dwellings per hectare, which can be supported before compromising sustainability criteria? **[Laughter]**

**Deputy A.K.F. Green:**

I am sorry, I only got the first part of the question in terms of density, I did not catch the rest, could the Deputy repeat it?

**Deputy R.C. Duhamel:**

I will read it more slowly this time. With regard to town and built-up area regeneration, what does the Deputy consider to be a maximum unit density and a maximum average density of build in terms of dwellings per hectare, which can be supported before compromising sustainability criteria.

**Deputy A.K.F. Green:**

How long have we got, Sir? No, seriously, I was looking around at different densities around town and the Le Coie centre, for example, near Roberts Garage down near Springfield, is about 180 habitable rooms per acre, whereas Berkshire Court is something like 300 habitable rooms per acre. Now, my own view is that around 160 to 180 is about right but it does depend on the amenities that are provided as part of that development. The least number of amenities, the less open space, the bigger the accommodation has to be because it is not everybody that wants all those amenities. So I am not going giving a very straightforward answer, but if I was asked what I think is the recommended norm I would go for about 180 habitable rooms per acre.

**1.1.11 Deputy T.M. Pitman of St. Helier:**

I think the way the Deputy bought himself some more time there he will obviously make an excellent Minister. As a town Deputy I know of good people in poor states of accommodation waiting to be moved. One family I know, in fact, were waiting for nearly 8 years while many who cause antisocial problems that make these peoples' lives a misery do get moved. If elected what will the Deputy do to ensure that this upside down approach is overturned?

[10:00]

**Deputy A.K.F. Green:**

I undertake to be, as I have been throughout the whole of my life, scrupulously fair and we will develop systems to ensure that we are scrupulously fair, taking all factors into account. If the Deputy would like to speak to me about that particular family that he is talking about, if I get the post I may be able to help.

**1.1.12 Senator F.E. Cohen:**

Does the candidate believe that some States-owned sites should be used in part at least for the provision of affordable housing, both social rented and/or shared equity?

**Deputy A.K.F. Green:**

In a quick answer, yes.

**1.1.13 Senator S.C. Ferguson:**

International authorities recommend that Government should not be in the business of providing social housing, it should be provided by associations and trusts and Government should merely be a regulator. What is the Deputy's view?

**Deputy A.K.F. Green:**

It is not entirely along those lines. I think there is a role for Government, although at arm's length. As I said in my speech, my own view is that we need to have an independent, wholly-owned by the States, body that will oversee social housing and that we - housing associations, public housing - should all be regulated. It is very difficult for the Housing Department to be regulator and the provider. That is why we need this arm's length organisation. It is all of our responsibilities although the main role of the Government is to facilitate the provision of social housing.

**1.1.14 Deputy D.J.A. Wimberley of St. Mary:**

Does the candidate agree that the root of the fundamental problems in the accommodation sector and the source of the endless treadmill in housing is the current policy of continuing to increase the population by between 150 and 200 households a year coming into a small finite island? Does he agree with that statement and what will he do about it?

**Deputy A.K.F. Green:**

I do agree that growing the population is part of the problem. I am still new at this, I have only met for a few minutes with the officers in charge in the Migration Department. I have still got to learn. That said, I have great difficulty and always have had in how we control very tightly (j) cats and

professionals but allow anybody who wants to live in the unqualified sector to just come into the Island. I do not know the answers; it is something I intend to look at.

**1.1.15 Deputy C.H. Egré of St. Peter:**

With the recent announcement of the massive redundancies within Her Majesty's services, what priority, if any, will the candidate give to returning serviceman getting them housing?

**Deputy A.K.F. Green:**

I do not know what the policy is currently in the department, I would need to investigate that, but as an ex-serviceman I am bound to have a private view.

**1.1.16 Connétable D.W. Mezbourian of St. Lawrence:**

What are the candidate's views on building social housing in the countryside and green zones?

**Deputy A.K.F. Green:**

I have a dislike of building on green zones unless we have absolute categorical proof that there is no alternative. We have a number of sites in town that are sitting vacant doing nothing. I would prefer to see those used before we go out into the countryside.

**1.1.17 Senator T.J. Le Main:**

I would like to offer whoever is the successful candidate my full support and offer any help and advice they may need in the future. I would like to say that there is a very good website, which will assist the Deputy, and I wonder whether he would care to look at it. It is called magicwand.com [Laughter] and I think that the Deputy will need all that if elected and wish him all the best of luck.

**The Bailiff:**

You have a question, Senator?

**Senator T.J. Le Main:**

In view of the lack of discussion taking place in questions with regard to housing law and population, will the Deputy work with businesses, enterprises, entrepreneurs and all that to make sure that good decisions are made, that Jersey remains a good place to attract new businesses and entrepreneurs to this Island and to make sure that Jersey is a good place to live and do business with?

**Deputy A.K.F. Green:**

Of course I will, because I want Jersey to be a good place to live, but I will make sure that it is done a way that is fair, consistent and appropriate.

**1.1.18 Senator F. du H. Le Gresley:**

States tenants' agreements are subject to very short periods of notice. Does the Deputy believe that States tenants should have greater security of tenure, perhaps by creating longer leases?

**Deputy A.K.F. Green:**

I am sorry, could the Senator just repeat the first part of the question?

**Senator F. du H. Le Gresley:**

I was saying that the current States tenancy agreements are subject to very short periods of notice, so do you believe that we should be creating longer leases for States tenants?

**Deputy A.K.F. Green:**

This was one of the surprises in my investigations - I believe it is a week's notice - and I do believe that we need to treat people how we want to be treated - I would not have wanted to have rented anything on a week's notice - so we need to treat people fairly and, yes, I do believe that needs to be looked at.

**1.1.19 Connétable J.M. Refault of St. Peter:**

I just wondered if the Deputy could tell me what value he would add to the product of Jersey by becoming the Minister not only for Housing but also on the Council of Ministers?

**Deputy A.K.F. Green:**

I think I will bring my experience of life, my love of Jersey to the Council of Ministers, but also some balance in terms of I am very pragmatic, and I will not say that I speak to the people any more than anybody else, but I think I will bring some balance to the Council of Ministers in terms of different views. I am also quite creative and I may be able to bring that to the Council of Ministers. Who knows until I get there.

**1.1.20 Senator P.F.C. Ozouf:**

Could the candidate tell the Assembly his views on (1)(1)(k)s and how he would administer the (1)(1)(k) policy?

**Deputy A.K.F. Green:**

I do not know how I would administer it and I was rather hoping this question would not be asked, but anyway. I do have a slightly different view to some people on (1)(1)(k) inasmuch as if we bring people into the Island that were not going to be in the Island who are going to make significant contributions to the exchequer, providing I can see that it is a benefit we would not have had anyway... In other words for a new member of the public coming in, £100,000 I think is the figure that they currently would be contributing, I would want to work with the Minister for Treasury on that. I mean, I have seen the benefit besides the direct taxation that comes in. I have seen the benefits that many of these (1)(1)(k)s have given directly to charities, many hundreds and thousands pounds, so I am not anti-(1)(1)(k). [Approbation]

**1.1.21 Senator J.L. Perchard:**

The candidate, if successful, will become a member of the Council of Ministers where he will be party to much commercial and sensitive information and when he will become party to policy information. Can he act in a corporate manner and does he accept corporate collective responsibility?

**Deputy A.K.F. Green:**

Always a fine line to tread, but one thing I can give is my absolute integrity and confidentiality. I have never once even repeated private conversations that Members have had in this Chamber that I have overheard. I do not do that. Private conversations remain private, commercial sensitive information remains private. Yes, I do accept overall corporate responsibility, that is about being a team player. That said, do not expect me to sit there and nod.

**1.1.22 Senator T.J. Le Main:**

Housing, apart maybe from the Health Department, is a very hands-on, personal matter with people. Can I have some assurance from the Deputy that he will make all endeavours that when people make contact or leave messages or emails - not like some other Ministers - that he will respond to them as quickly as possible because all these issues are very personal to people that ring up on housing or population matters?

**Deputy A.K.F. Green:**

Absolutely, I do that now and I see no reason to change.

**The Bailiff:**

That concludes the 20 minutes but I am going to allow one extra question to make up for the repetition of Deputy Duhamel's question, to be fair.

**1.1.23 Deputy J.A. Martin:**

It is on the question of population, when the Population Office was formed a lot of power was taken away from the Minister for Housing; lots of people have now found this is wrong. Would the candidate fight to get the final say, shall we say, as who comes in back under his Ministry and, secondly, could he remind the House which way he voted in the Strategic Plan on the reaching the 100,000 population, was it a yes or a no?

**Deputy A.K.F. Green:**

Taking the last bit first, did you say which way I voted as to whether we should keep below 100,000?

**Deputy J.A. Martin:**

No, the Strategic Plan was to rise to 100,000 and there was amendment for a keep constant, so which way did the Minister [**Members: Oh!**] ... slip of the tongue there, Sir, he knows the question I think.

**Deputy A.K.F. Green:**

I do not remember to be honest, but I suspect if I was consistent in my approach that I would have voted against going above 100,000 because I am against growing the population, but I would have to check. The first part of the question?

**Deputy J.A. Martin:**

Would you take back ownership of the Population Office and not keep it under Economic Development?

**Deputy A.K.F. Green:**

The truthful answer to that is I do not know enough about it, that is something I would have to look at. I was surprised to find that it reported to the Chief Minister's Office and not Housing, I have to say. But the truthful answer is I do not know. I have been investigating as much as I can in the last 2 weeks and I will look at it.

**The Bailiff:**

Very well, that concludes questions to Deputy Green so, Deputy, I will ask you please to be kind enough to withdraw from the Chamber and be accompanied by a member of the Greffier staff and we will ask Deputy Southern to return. Very well, Deputy, when you are ready if you would like to address the Assembly for up to 10 minutes.

**1.2 Deputy G.P. Southern of St. Helier:**

The first thing I want to say to every Member in this Chamber is to those who I may have upset accidentally [**Laughter**] or deliberately in the past 8½ years now is your chance to get your own back. Vote for me as Minister for Housing without a budget because there is no capital allocation after 2011, so get your own back. The starting point is Housing is in dire need of a thorough overhaul and that overhaul has started taking place and there is a White Paper being prepared for the housing transformation project, which is on its way, and it is possible that the new Minister will get the final touch on that to steer it in what he sees is the right direction. The right direction must be the provision of adequate social housing on this Island. The waiting list that we have suggests



that we have not enough housing, social housing in particular, full stop. That issue cannot be avoided.

[10:15]

In the latest report which looked at the problems of housing in Jersey - the Whitehead Report - it referred to the social housing property plan 2007 to 2016. It said this: "The property plan was developed within the existing financial framework by which net rental income is inadequate to pay for improved investment." Given this overwhelming lack of available resources, the only option available was to plan to sell-off a proportion of the stock to realise the necessary finance. Housing is chronically under-funded. Something like £26 million worth of rents, £20 million goes back into central funding leaving £6 million, which is not enough to maintain and refurbish and keep the stock adequately. That is the fundamental problem. Until we can get that right, we get funding for the building and maintenance of housing right, we are going nowhere with social housing on the Island. The second thing that the transformation plan wishes to do is to separate the Minister from direct provision of housing and that is about funding. At the moment we have got funding coming through several sources, one of which is through income support, and the rental allocation is so large that it skews income support tremendously. That link between the cost of housing and income support must be broken in some way because we cannot continue using that to prop-up the system when it is designed for income support to keep people alive rather than pay rent. So that has to be an issue that is tackled. The second report that has come out in the last 18 months is the MacDonald Report on affordable housing which was a Planning and Environment review. It came up with the conclusion that there is no such thing as affordable housing in Jersey. The multiplier between value to loan is something like 13 times average earnings; there is no such thing as affordable housing. How do we solve that problem? I do not know the whole answer but I know where we start. Affordable housing depends on the price not only of building a house but on the price of that land. We have to turn to property that is already in States ownership and use that. Why do we not do that as a first resort, as a first stopping point? Because there is a policy driven by the Minister for Treasury and Resources or the Chief Minister or somebody like that, which says we must maximise value on every asset we have got. Now, hang on, that is no way to get affordable housing. What is the asset value, what is the benefit of providing social housing? Enormous, I would say, for our population. That is the way to go, not say we must get the maximum value, because in that way we just rely on developers and what do they build, 3-bed 'B' category, they do not build 'A' category housing which is what we need. Now, obviously I have been in touch with Housing quite a lot over the past 8 years, increasingly now I am chairman of the Health, Social Services and Housing Panel. In fact I am more familiar with the previous Minister than perhaps I would like to be because I think I have met him 4 times in meetings in the past year. I was just looking today at a document that Housing gave me a few days ago and it shows the questions asked of the Minister for Housing over the past 2 years and, lo and behold, I am on there 12 times. Now, whatever you think of question time it does reveal an interest and a concern. So I asked about increasing home ownership, review of social housing, affordable housing. Those are the issues that concern me, those are the issues that I will be driving if you were to elect me into the position of Minister for Housing. Now, I say there is no funding after 2011; the 2011 refurbishment programme is on track though and the priorities are Clos Gosset, Pomme d'Or, Jardin des Carreaux - which is a small estate at the back of St. Helier - and La Collette high rise. Funding for those in place; certainly Clos Gosset is due to start now and I believe Pomme d'Or Farm, some money has been found so that they can make a start in the autumn I believe. Jardin des Carreaux is a small project and might be affordable this year. I would certainly like to see it done this year. But all that depends on selling our current property. Now, that is a short-sighted policy in itself but the fact is that nowadays you cannot get a mortgage at the moment for love nor money, so it is extremely difficult. So beyond 2011 a major problem will be how are you going to fund social housing in Jersey, pay the bill? I would argue that like many other authorities in the mainland and indeed throughout Europe, what we should do is look at isolating that funding for the

building of housing and - it has to be said - it is now the time to look at borrowing, I believe it is. You could form a bond and cover that bond with your rental: the fact that we have got £1 billion or nearly £1 billion worth of asset in the housing stock is something that should be and must be developed in order to fund proper social housing. The other thing we need to do is to get regulation in place for the housing trusts and the critical point there is that some of the housing trusts now, their loans are coming to the end of their borrowing. They are paid off. That rental that is coming into their coffers is a freebie. Why is that not coming into provision of social housing? We need to get that regulated and we need quite literally - and they will not like to hear it - to get our hands on that rental income in order to redirect it into more provision of social housing. Finally, I think I will come to something that shows my interest. Also in the pipeline is the public sector rental deposit scheme, Members will remember that I pushed that through and I twisted the previous Minister's arm to get that through. It is ready to go now. Certainly, if nothing else happens, we will see a White Paper in the next 8 months and we will see that come to the House for final approval. That is a starting place but it is not for just 8 months, it is for 4 years beyond that. I would intend - if you elect me this time - to come back and do it again and to push through the enormous change that we need in the right way. Thank you.

### **1.2.1 Senator T.J. Le Main:**

A Minister cannot do his or her job unless they have the complete trust and support and confidence of the department staff and of course other public sector staff. Would Deputy Southern please give us an explanation how he would achieve this trust, especially with he having a very serious conviction in the Royal Court in which he believes that rules he does not agree with should be broken?

### **Deputy G.P. Southern:**

Certainly. As an ex Minister you should know about trust, and the answer is I believe I already have that trust. I have had a number of actions with the Housing Department where I have been in seeking qualifications under hardship cases, seeking to come to a rent agreement with staff. Initially relations may have been a bit spiky but now I have good relations I think with staff in the Housing Department. They know about me, they know how I negotiate and they negotiate in the correct way when I come in with individual cases. I have got 3 cases outstanding at the moment for housing need where we are looking for a 2-bed for single parents, I have regular contact with the Housing Department and I believe we trust each other.

### **1.2.2 The Deputy of St. Peter:**

With the recent announcement of the massive redundancies within Her Majesty's Services, what priority if any would the candidate give to Housing returning ex-servicemen and women?

### **Deputy G.P. Southern:**

I believe we have a commitment to housing returning ex-servicemen and I believe we should honour that commitment to its utmost.

### **1.2.3 Deputy M. Tadier:**

We have heard on occasion social housing being classed as subsidised, does the candidate agree with this analysis given that £26 million of rental, of that, £20 million goes straight back to the Treasury?

### **Deputy G.P. Southern:**

Social housing must - by its very definition I believe - be described as subsidised. The question is, as I referred to in my speech, how do you get that subsidy to the required place? At the moment we use income support to convey that subsidy into the system and the fact is that most of that income support goes back into the system and not enough goes into Housing. We need to isolate the capital requirement for Housing and make sure it is separated from our welfare system and the 2 do not

overlap because the one is messing-up the other. So, yes, there is a subsidy, the subsidy comes in the building and maintenance of that housing and separate from the welfare of the tenants and that must be the prime object of the subsidy.

#### **1.2.4 Deputy J.A. Martin:**

Before the Population Office was established the Minister for Housing had a lot more say in population. Would this candidate - if elected - fight to regain the last say on who comes into Jersey other than the Chief Minister's Department, and could he also remind the House which way he voted in the Strategic Plan on the population? Was he in favour of driving it up to the 100,000 that was in the Chief Minister's plan, or was he of keeping it rolling along until we get the situation of housing sorted?

#### **Deputy G.P. Southern:**

There may still be space to answer the question, a long question. Yes, I firmly believed at the time that we must have a vested interest in the person responsible for the rising population that they should want to see it automatically not rise by as much as it could, and that means the Minister for Housing. If the Minister for Housing can see that population is rising, and he has to supply the housing for that population, then he has got that vested interest and I do not think that vested interest lies comfortably either with the Chief Minister or Economic Development who has a vested interest in pushing it up and letting people in. So that is the first point. Secondly, the question was about population and going to 100,000. I believe I brought an amendment, if not to this one then the one before, about limiting the growth in population to sustainable levels which was lower than the 150,000 that we have got now.

#### **1.2.5 The Deputy of St. Mary:**

On a related topic but more precise, if you like, does the candidate agree that the root of the fundamental problems in the accommodation sector and the source of the endless treadmill in Housing is the current policy of continuing to increase the population by 150 to 200 households a year, coming into a small finite Island? Does the candidate agree with that statement and what will the candidate do about this?

#### **Deputy G.P. Southern:**

I will fight my corner in the Council of Ministers, obviously, and argue the case for sustainable limits on growth. It is a fact, and I have long stood on this platform, that we cannot just let the population grow because of economic growth. We have to choose some limit and control the growth of population in such a way as population is sustainable. A key element in that is housing.

#### **1.2.6 Deputy K.C. Lewis:**

If the candidate were elected, first day in office, what would the candidate see as his absolute number one priority?

#### **Deputy G.P. Southern:**

Absolute number one priority would be to read that White Paper and get my head around it completely because I have not seen it yet, although I know what its general thrust is, so I will be looking to see how it is shaping-up and how far on we are with it to make sure that it comes to this House by June for the consultation period into the future.

[10:30]

#### **1.2.7 Deputy R.G. Le Hérissier:**

Given that the candidate is politically and ideologically totally at variance with the Council of Minister's views on many things, can he tell us whether he will be subscribing to the policy of

collective responsibility, and even if he were what would be the breaking point where he would have to say: “Enough is enough and I have to wish you goodbye”?

**Deputy G.P. Southern:**

It is not my intention to become a Minister only to think about resignation, that is not where the hard work is done. The hard work is done inside the Council of Ministers, arguing what you believe is the correct case and modifying policy little by little if necessary. My time in the States has I think taught me one thing and that is to accept small movement as significant. So that is the attitude I would take in the Council of Ministers, even though I may be politically and philosophically opposed to much of what they represent, nonetheless, my job is to argue the case on the facts.

**1.2.8 Deputy R.G. Le Hérisier:**

Sorry, just a supplementary. Could the candidate say then which issues would be the tipping point for him?

**Deputy G.P. Southern:**

No. I will repeat my phrase that small changes are significant and that is where I am. I am not into resignation. That is *vieux temps passé*. That is back to the old and the great who used to regularly resign from their committees and then form another one because they could not get their own way; not my policy at all.

**1.2.9 Senator S.C. Ferguson:**

International authorities recommend that Government should not be in the business of directly providing social housing, it should be provided by associations and trusts and Government should merely be a regulator. What is the Deputy’s view?

**Deputy G.P. Southern:**

That is the direction, I believe, that the White Paper is taking and I am prepared to go along with that to the extent that we - and the Minister for Housing in particular - must stay in control of housing policy and give the direction. In the same way that a Minister might direct the department, the department must give direction, clear direction, to the mechanism for providing social housing. However, having said that, the key element and the starting point, as I have said before, is we simply have not got enough social housing. We need to get the mechanism right so we can deliver it at affordable prices.

**1.2.10 The Connétable of St. Mary:**

What is the candidate’s perception of the housing needs and the issues facing the under-25s? How will he address them, and can he also tell me who he is likely to have as his running mate?

**Deputy G.P. Southern:**

I have not given thought to who I might have as my running mate. The position is open. As the Deputy of St. John is such a cynic, it is not open to the Chief Minister to tell me who I am going to pick. The under-25s, we have got a serious problem, because I believe that the rule that says under-25s have got no automatic access - and the key is income support - to income support for the housing accommodation unit, the accommodation part of that, that is a serious problem. Increasingly, we are seeing young people homeless because they cannot afford to survive. Now, the current rules are that either you have got to demonstrate complete breakdown of the family unit with your parents, or you have lived on your own successfully for a year. It is a bit circular, that one. If you can survive without the accommodation component of income support for a year, then you can have it, but if you cannot, then you cannot. It does not work. It needs a serious look at. Obviously the problem is, and why it is still there... as I say, we have got a shortage of housing,

and therefore any increase on those eligible would increase the demand on housing and is a difficult problem to solve, which reminds me that the whole issue of waiting lists ...

**The Bailiff:**

Deputy, I am sorry ...

**Deputy G.P. Southern:**

If I may continue, Sir.

**The Bailiff:**

Well, try and be concise, because a number of Members want to ask questions.

**Deputy G.P. Southern:**

Absolutely, Sir. The whole issue of waiting lists was focused on by the Whitehead Report which said: "Your waiting lists do not really mean a lot, the response to who you define is eligible for housing. There are all sorts of poor people in this Island who are not eligible for social housing. Waiting lists as a whole need to be addressed." Within that, under-25s, it is part of that problem.

**1.2.11 Deputy P.V.F. Le Claire:**

The Halifax Report recently identified that the average cost of a 3-bedroom house in the United Kingdom is £180,000. In Jersey, it is in excess of £500,000. Will the candidate let us know whether or not he would consider investigating the creation of a co-op housing scheme within the ambit of the States of Jersey to help people get out of the slavery of paying debt all their life under these continuing capitalist non-social considerations that have prevailed upon society to give us £500,000 as an average house price?

**Deputy G.P. Southern:**

I do not quite know what the questioner means by a co-op scheme, but nonetheless, I believe we should be looking increasingly at some sort of subsidised scheme for the sale of houses. It is absolutely correct that we should be looking after category 'A' first-time buyers' houses as well as social housing. As I said in my speech, the first point that I would be looking at is the point of acquiring land. I believe the States have some very large sites where the philosophy should not be just to maximise potential, because we are too reliant on developers, and we must do something otherwise - other than that - to get hold of that land and thereby bring down the cost of certain elements of affordable housing. That is my way forward.

**1.2.12 Deputy R.C. Duhamel:**

With regard to town and built-up area regeneration, what does the Deputy consider to be a maximum unit density and a maximum average density of build in terms of dwellings per hectare which could be supported before compromising sustainability criteria?

**Deputy G.P. Southern:**

Starter for 10, and I have to say - and if I get elected, I will say it occasionally - I do not know the answer to that. I have not looked at those figures. However, I will get back to the questioner before the end of the day with the figures.

**1.2.13 Senator J.L. Perchard:**

The candidate, if successful, will become a member of the Council of Ministers, where he will be party to much commercial and sensitive information, and where he will become party to policy under formation, for example, tax and spend policy. Can he act in a corporate manner and does he accept corporate collective responsibility?

**Deputy G.P. Southern:**

I absolutely accept corporation responsibility for not sharing information to which I am privy. I believe my record on Scrutiny, and Scrutiny's record in general, is that leaks of policy information, it is Scrutiny nil, somewhere in the Ministerial system, 3.

**1.2.14 The Deputy of St. John:**

Given the candidate's short fuse, and as the candidate has principles, can he put his department before his principles within the Council of Ministers, where he has to be a team player?

**Deputy G.P. Southern:**

Anybody who has worked with me on Scrutiny will know how I am a team player, how my panels work together, how we report, and we do not report until we get total agreement around the room about what we are going forward with. That way, everybody gets absolutely solid behind any policy or any decision that we are making, and I make sure that happens. I believe I am a very good organiser and runner of meetings. I think I do the right balance between allowing people to believe that they have their say and they have said their bit, yes, and then coming to a decision in a reasonable, timely manner. I think anybody who has worked with me would confirm that, and if you have not worked with me, just check with your neighbours and just see that that is the fact.

**1.2.15 Senator P.F.C. Ozouf:**

The Minister for Housing has responsibility for issuing (j)s and (k)s. The candidate has made his views known on the (k) policy. How would he propose to deal with (k) applications that would immediately come before him and also how would he propose to deal with (j) applications for the financial services industry?

**Deputy G.P. Southern:**

I will start with the (j)s. I am worried about the fact that in the majority of cases, we have got permanent (j)s now, so our population is growing that way, as well as in other ways. So that is a problem and I will be looking to see if we can re-examine that particular policy. As to (k)s, no matter what my politics are, I will use the rules. The rules will be laid out there, and whatever the Council of Ministers has decided, that is who gets in, then that is who gets in. I do not have a problem with that.

**1.2.16 Senator F.E. Cohen:**

The candidate, rather naughtily and wrongly, blamed the Minister for Treasury and Resources and the Chief Minister for the imperative within Property Holdings to maximise values on publicly-owned sites. If the candidate feels, as I do, that States-owned properties should be used at least in part for the provision of affordable housing, how would he propose to effect the necessary change in policy, and how will he implement delivery?

**Deputy G.P. Southern:**

Again, we are back to the mechanics of Ministerial government. One has to argue your side in the Council of Ministers. I would seek to persuade as many other Ministers to share what appears to be our common ground to reach consensus that that is the way forward and that housing need takes precedence over profit and greed - oh, I just made that rhyme - in particular, I would be pressing the Minister for Planning and Environment for time-limited consents in the private sector. It seems to me that a lot of developers acquire a site and sit on it and sit on it and sit on it, and if we have got a need, then perhaps those should be time limited so we get them moving as well as the States.

**1.2.17 The Connétable of St. Lawrence:**

Would the candidate advise the House what his policy would be on providing social housing in the countryside and green zones?

**Deputy G.P. Southern:**

I believe that we should try and avoid building in the green zones. However, whether we do or not depends very critically on what we allow the population to do. That is the critical link. We have to concentrate on making sure that the population and its increase is sustainable if we are to succeed in not building on green zones. The first point that we have to start to consider, as I have said - and that is now 3 times - would be property or land that is already in States hands, and that is a starting point. Now, some of those sites are in town or on the borders, so we are looking at perhaps the Girls' College, St. Saviour, looking at the d'Hautree site as a prime site for development. That is where we should be starting.

**1.2.18 Senator F. du H. Le Gresley:**

Does the candidate believe that all States tenants should be regularly means tested?

**Deputy G.P. Southern:**

Regularly means-tested? It depends what you mean. I assume you do not mean every 3 months. Certainly what I have noticed in my relations between tenants and the Housing Department and Social Security often that the means test does slip or the income does slip and the Housing Department and Social Security are very quick to try and recover that additional payment or the absence of payment. What we need to do is make sure that we know accurately what income is coming into the household, and where mistakes are made, then we must be careful to make sure that the prime objective must be to make sure that repayment is doable, rather than try and get it back in a certain amount of time. For example, I believe that there is a target in housing for any arrears of rental to be paid back within a year, and sometimes that goes over the limit of: "What can you afford?" If that is 18 months, if it is doable, then let us go for 18 months and not stick to a year is my advice.

**The Bailiff:**

Very well. I am afraid that brings questions to Deputy Southern to an end.

**The Bailiff:**

There are a number of others with lights, but we have unfortunately just run out of time, Connétable, I am sorry. I ask people to ask questions in the order in which I see the light.

[10:45]

So we invite Deputy Green then to return to the Assembly. Perhaps while that is happening, I can invite ballot papers to be distributed. Members should write the name of their preferred candidate on the ballot paper. Deputy Green requires a paper, I think. We would not want him to be deprived of a vote. If all Members have received a ballot paper, I invite them, as I say, to put one name or the other on the ballot paper of the 2 candidates and then the ushers will collect the ballot papers. Very well then, if all Members have returned their ballot papers, I will ask the Viscount and the Attorney General to act as scrutineers in connection with the ballots.

**2. Nomination of Deputy Sean Seamus Patrick Augustine Power of St. Brelade as a member of the Environment Scrutiny Panel**

**The Bailiff:**

Very well, then we come next to a nomination of a member of the Environmental Scrutiny Panel. Do we have a nomination by the chairman of that panel?

**2.1 The Deputy of St. John (Chairman, Environment Scrutiny Panel):**

Yes. It gives me great pleasure to propose the former Minister for Housing, Deputy Sean Power, as a candidate to join my panel, he having been a former member of the Environment Scrutiny Panel at a different time, and it would be nice to have him back on board. Thank you.

**The Bailiff:**

Is that nomination seconded? **[Seconded]** Any other nominations? Very well, I declare that Deputy Power is elected then as a Member of the Environmental Scrutiny Panel.

**Senator T.A. Le Sueur:**

Before we start question time and before my voice gives out, I wonder if it would be appropriate for me to make a statement on Zero/Ten? There are a number of questions, both written and oral, on the subject and it strikes me it would be more sensible for me to make this statement prior to those questions.

**Deputy P.V.F. Le Claire:**

Can I oppose that, Sir? We recently had a ruling from you in regards to the Deputy of St. John, who put a question on the resumption of the agreement on health with the U.K. (United Kingdom); the reciprocal health agreement. You ruled, Sir, that it would be appropriate in the future for Ministers to wait before distributing the information until such time as the Deputy who had prepared the question and tabled the question had the opportunity to put that question. I have questions today, Sir, number 4 and 5 on the list, about Zero/Ten to the Minister for Treasury and Resources, which challenges exactly the things that are being set out in the statement of the Chief Minister. I think the last time this occurred was when I asked a question of the Chief Minister, whether or not he was prepared to apologise for Haut de la Garenne. My question was leap-frogged in the same manner as it is being attempted to be leap-frogged this morning, and the Minister apologised before I was able to ask the question. I think it makes a mockery of putting questions before Ministers when statements from Ministers are clearly set out in the Order Paper. I would just say the business of the States is in the hands of the business of the States, but is it right that Members have to wait days upon days and get their questions in in a certain format when they can be leap-frogged in this manner? You made a ruling, Sir, in regards to the Deputy of St. John and I would like to ask you to consider that.

**The Bailiff:**

I am not sure what the ruling was in relation to the Deputy of St. John, but it is not a matter for the Chair. The Chief Minister has suggested it would be convenient to take his statement first because it deals with the matters which are the subject of questions, and in answer to the questions, he will presumably have to start talking about the statement and then have to repeat the statement when he makes it. So that is the argument put, I think, by the Chief Minister, but it is a matter for Members. Is there a seconder for the Chief Minister's proposition that we take the statement next? **[Seconded]** It is really a matter for Members. I had not realised it would be opposed, but if it is opposed, do you ask for the appel, Deputy Le Claire? Are Members happy to take the statement next? Yes, the appel is called for then in relation to the proposition of the Chief Minister that the statement should be taken before questions, so I invite Members to return to their seats. If you support the Chief Minister on this matter, vote pour, if you do not, vote contre, and the Greffier will open the voting.

**POUR: 31**

Senator T.A. Le Sueur  
Senator P.F. Routier  
Senator P.F.C. Ozouf  
Senator T.J. Le Main  
Senator B.E. Shenton  
Senator F.E. Cohen  
Senator J.L. Perchard  
Senator A. Breckon

**CONTRE: 12**

Connétable of St. Lawrence  
Deputy J.A. Martin (H)  
Deputy G.P. Southern (H)  
Deputy P.V.F. Le Claire (H)  
Deputy S.S.P.A. Power (B)  
Deputy S. Pitman (H)  
Deputy of St. John  
Deputy of St. Mary

**ABSTAIN: 3**

Connétable of St. John  
Connétable of St. Mary  
Deputy M. Tadier (B)



Senator S.C. Ferguson	Deputy T.M. Pitman (H)
Senator A.J.H. Maclean	Deputy T.A. Vallois (S)
Senator B.I. Le Marquand	Deputy M.R. Higgins (H)
Senator F. du H. Le Gresley	Deputy D.J. De Sousa (H)
Connétable of St. Ouen	
Connétable of Trinity	
Connétable of Grouville	
Connétable of St. Clement	
Connétable of St. Peter	
Deputy R.C. Duhamel (S)	
Deputy of St. Martin	
Deputy R.G. Le Hérissier (S)	
Deputy J.B. Fox (H)	
Deputy of St. Ouen	
Deputy of Grouville	
Deputy of St. Peter	
Deputy K.C. Lewis (S)	
Deputy I.J. Gorst (C)	
Deputy A.E. Jeune (B)	
Deputy A.T. Dupré (C)	
Deputy E.J. Noel (L)	
Deputy A.K.F. Green (H)	
Deputy J.M. Maçon (S)	

## STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

### 3. The Chief Minister will make a statement regarding Zero/Ten

#### 3.1 Senator T.A. Le Sueur (The Chief Minister):

Members will be aware of the ongoing review process concerning Zero/Ten. The detailed background to this was set out in a note issued in December last year. The purpose of this statement is to update Members on this process and to announce measures that the Council of Ministers have taken in response. Following the E.U. (European Union) Code of Conduct Group's evaluation of Jersey's business tax regime, Ecofin asked the E.U. Council's high level working party on tax issues to review the scope of the Code of Conduct on business taxation. The working party was asked to complete its review by June 2011. On 31st January, the high level working party decided that in their view, the deemed distribution and attribution provisions do fall within the scope of the code. It concluded that because shareholders resident in Jersey are taxed on distributions they are deemed to have received, not just on those they have received, this measure is not a personal tax anti-avoidance measure, but in their view is a way of taxing domestic profits. The working party's conclusion is set out in this public report to Ecofin, a copy of which Members have been given today. The Jersey authorities have made it clear to the Code Group that these provisions are a personal tax measure and are therefore outside the scope of the code. This position was not opposed by the U.K., when in 2007 Jersey introduced the distribution as a personal anti-avoidance measure, not a business tax measure. So this is a political and not a judicial process, and therefore differences of opinion can arise. In addition, the review did not allow for meaningful dialogue with members of the Code Group or any engagement with the high level working party. We have asked that if in the future there is any review of our business tax regime, Jersey be invited to participate fully in the discussion. We also plan to discuss with U.K. Ministers the role of the U.K. Government in future discussions and how Jersey's interests can be better represented. While we disagree with the findings of the working party and the Code of Conduct Group, the Council of Ministers believes that Jersey should maintain its voluntary participation in the work of the Code

Group as part of our general good neighbour policy with the E.U. Member States. Accordingly, the Council of Ministers has decided to deal with the concerns raised by the Code Group and high level working party and abolish the deemed distribution and attribution provisions from 1st January 2012. The Code Group has been informed of this decision. This of course is subject to the agreement of the States Assembly, as legislation will need to be passed. We believe that this puts our tax regime back to the position which Ecofin approved in 2003, when it was agreed that the Zero/Ten concept was acceptable. This action allows us to retain our Zero/Ten regime, while meeting the concerns of the E.U. Maintaining tax neutrality in a simple and transparent way provides stability and certainty for businesses operating here and sends a clear signal that Jersey continues to provide a competitive tax system, which will safeguard the Island's future economic well-being. The Code of Conduct Group is meeting on 17th February to undertake a formal assessment of Jersey's business tax regime as a whole, including the shareholder tax provisions. Now that we have proposed to abolish these provisions, we expect their response to reflect this. Before the Council of Ministers decided on this action, the States Treasury advised on the impact of such a change on Jersey's tax revenues. They advised that the removal of these provisions would lead to a cash flow effect from 2013 or 2014, which in any one year is not expected to exceed £10 million. We continue to seek an increasingly constructive and mutually beneficial relationship with the European Union and we will maintain our commitment to transparency and information exchange according to international standards. It is evident that tax regimes will evolve over time, as international standards develop. Members can be confident though that as we adapt and remain responsive to the international community, Jersey's essential competitiveness, economic growth and of tax neutrality with Zero/Ten at its core will always remain our highest priority.

### **3.1.1 Deputy G.P. Southern:**

Only a fortnight ago, it was estimated that the loss from deemed distribution will be in the range of £10 million to £15 million. Has a new analysis been done since then to come up with a figure of only £10 million?

### **Senator T.A. Le Sueur:**

Yes, we are continually refining our information. It was early days. The deemed distribution provision only came in in 2009. As we find more and more information, we are able to be more and more specific about the likely impact.

### **3.1.2 Deputy G.P. Southern:**

A supplementary, Sir, if I may. Can the Chief Minister confirm that this additional £10 million forms part of a bigger black hole?

### **Senator T.A. Le Sueur:**

No, on the contrary. I said that this was a cash flow issue and it was not a removal of taxation, it was a deferment to a different year. It is a cash flow problem which the Minister for Treasury and Resources is confident and I am confident we can handle quite easily.

### **3.1.3 Deputy T.M. Pitman:**

Part of my question has been answered. However, while disappointed that the Minister did not add an apology into his statement, could I ask, can he assure us that as a result of this even deeper shortfall that will be made up by more redundancies and more impact on the public sector?

### **Senator T.A. Le Sueur:**

No, the Deputy has the wrong end of the stick. There is no point in apologising. We have done nothing to be ashamed of. What we have done is reiterate what has always been our position, that we believe that the Zero/Ten regime was and is acceptable and the correct way forward for Jersey, and that deemed distribution provisions are a small proportion of that, which we can easily get around by different arrangements. There is no need for significant redundancies or any of the

scaremongering tactics that the Deputy suggests. This is a simple cash flow issue which easily be managed.

#### **3.1.4 Deputy P.V.F. Le Claire:**

This seems to put to an end a period of great uncertainty within Jersey and the position of its tax regime. In the statement, it says: "We believe this puts our tax regime back to the position which Ecofin approved in 2003, when it was agreed that the Zero/Ten concept was acceptable." That clearly states that there was a concept that was approved. Does the Chief Minister not agree with me that it is now time to stop asking questions and disagreeing with the Chief Minister and the Council of Ministers, and now it is time for us all to get behind the Chief Minister and bury our heads in the sand along with them? **[Laughter]**

[11:00]

#### **Senator T.A. Le Sueur:**

It was going so well, was it not? There are some people who will never be satisfied with anything that I say, and all I am saying is what we have been saying consistently since Ecofin first commented in 2003, and that is that the Zero/Ten regime is acceptable to them, fits in with the Code of Conduct principles and is stated to be so. It is not a question of putting our heads in the sand. On the contrary, it is holding our heads up high and saying: "Yes, Sir, this is what we believe. This is what is correct."

#### **3.1.5 Deputy M.R. Higgins of St. Helier:**

I think the Chief Minister and the rest of the Council of Ministers are in denial. They have said repeatedly that the whole thing was compliant and now we find it was not. Now, I would like to explore this cash flow question. If we are talking about £10 million of income tax coming in, yes, that money comes in, there is a flow of money into the States coffers and the money is then spent on public services and other things, or goods and services. Now, if that £10 million is no longer coming in - and personally, I prefer the £14 million, the original figure they gave us a few weeks ago - how is that money going to be replaced? Are you going to raise G.S.T. (Goods and Services Tax) by another 1 per cent to give you another £15 million? You have to make up that shortfall somewhere.

#### **The Bailiff:**

Through the Chair, Deputy.

#### **Deputy M.R. Higgins:**

Sorry, yes, through the Chair then. How is the Chief Minister going to make up this deficiency of £10 million?

#### **Senator T.A. Le Sueur:**

I have tried to explain to Members this is not a deficiency; this is a cash flow movement. It is not a loss of taxation, it is a payment of taxation in a different period and it is up to the Minister for Treasury and Resources to plan and we can plan quite well for that. As I indicated in my statement, the effect of this will not be felt until 2013 or 2014; that gives us all ample time to plan for a relatively small change of up to £10 million a year.

#### **3.1.6 Deputy M.R. Higgins:**

Sir, a supplementary. The Chief Minister said that it is a cash flow problem and yet the whole deemed distribution was an income tax measure under personal taxation. How the heck are you ... sorry, through the Chair. Sorry, Sir. **[Laughter]** Sorry, I am exasperated with it.

#### **The Bailiff:**

It is not a question of through the Chair. I do not think the Chair wants to be told to go to anything otherwise, so just “how”.

**Deputy M.R. Higgins:**

All right, Sir. They are going to have to come clean on this. Instead of talking in riddles, come clean and explain where the money is going to come from that you have now lost.

**Senator T.A. Le Sueur:**

No matter how many times I say it the Deputy does not seem to understand. It is not lost, it is deferred. It is a cash flow issue from one year to a different year. I cannot say clearer than that, so if the Deputy does not believe that then I am afraid there is nothing I can do about it.

**3.1.7 Deputy A.E. Jeune:**

I thank the Chief Minister for getting this matter put to bed and sorted and I do have one question. Could he tell me, is there any particular reason why they have used the date to abolish of 1st January 2012.

**Senator T.A. Le Sueur:**

That marks the start of our next fiscal year and it seems sensible to make the change at the end of one fiscal year and before the start of the next year rather than in the middle of a fiscal year, which would cause untold complications to taxpayers.

**3.1.8 Senator S.C. Ferguson:**

When will the Minister be bringing proposals regarding replacement anti-avoidance schemes to the States, and I assume these proposals will again have to be approved by Ecofin.

**Senator T.A. Le Sueur:**

I am confident we already have a very good anti-avoidance scheme, which we have had in place for many years now that works very well, and the Comptroller of Income Tax is satisfied with that. If we find that there are subsequent cases of abuse we will address them when the time comes. At the moment I have confidence in our existing tax laws to deal with cases of anti-avoidance.

**3.1.9 Senator S.C. Ferguson:**

Supplementary, Sir. At what point do the Council of Ministers consider that we say: “Enough is enough. We are a sovereign nation; stop dictating to us”?

**Senator T.A. Le Sueur:**

Our objective is to be good Europeans and good neighbours and that generally means talking and co-operating and discussing with people. If you get to a situation where those discussions are fruitless and being ignored then we may have to take alternative measures. There is no sign of that at the moment. We have a good constructive discussion and relationship, which I hope will continue for many years to come.

**3.1.10 Senator J.L. Perchard:**

The Chief Minister concluded his statement by saying Jersey’s essential competitiveness, economic growth, and the tax neutrality of Zero/Ten that sits at its core will always remain a high priority. Does the Chief Minister agree that competitiveness, economic growth, and tax neutrality are the reasons why Jersey can provide such high standards of quality healthcare, social services, education and infrastructure? Will he explain to me and to Members and whoever is interested, why it is so important that Jersey is competitive and is able to offer a competitive tax neutral environment?

**Senator T.A. Le Sueur:**

I think the Senator has virtually answered his own question when he says it enables us to provide all the social services of education and health and so on that the Island expects, and we are, I think, very proud - or I am very proud - of the fact that we have a very competitive economy. We have a very strong, well-regulated finance industry, which enables us to provide high quality services both in education, health and all other areas like that, and we would be in a very weak position, a very poor position were that to be undermined by a lack of competitiveness or by taking actions which would be contrary to the Island's interests.

**3.1.11 Deputy J.M. Maçon of St. Saviour:**

In a question asked of the Chief Minister on this and other taxation matters, an assurance was given that ongoing conversations with the other Crown Dependencies happened. Were they contacted before this decision was taken by the Council of Ministers, and if not why not? If so, what was their response?

**Senator T.A. Le Sueur:**

We do have ongoing discussions with the other Crown Dependencies. The response will vary from one to the other. We have to do what is best for our Island and they will do what is best for their jurisdiction as well. All I can say is that the Isle of Man has taken a very similar approach to what we are doing.

**3.1.12 Deputy M. Tadier:**

First of all, we all acknowledge the rael politic which is having to be engaged in even though we may disagree. My question is to do with the zero rate. Does the Chief Minister think it is fair that owners who are not based in Jersey pay zero tax in Jersey, even though they use the infrastructure expertise of our Island, which is paid for by the Jersey taxpayer, while they contribute nothing to our economy personally?

**Senator T.A. Le Sueur:**

I think the Deputy may be alluding to some of the issues relating to non-finance companies which have non-resident shareholders in comparison with those in Jersey. That is a matter which the Minister for Treasury and Resources has committed to address in the last budget and will continue to address and deal with in the timescale that he originally put forward.

**The Bailiff:**

That completes questions to the Chief Minister on that statement. Before we turn to questions I can then inform Members of the result of the ballot for the appointment of the Minister for Housing. The votes cast were as follows: Deputy Green 36 votes, Deputy Southern 15 votes and I therefore declare Deputy Green has been elected as Minister for Housing. **[Approbation]**

**QUESTIONS**

**4. Written Questions**

**4.1 THE DEPUTY OF ST. JOHN OF THE CHIEF MINISTER REGARDING THE USE OF SELF-EMPLOYED OR AGENCY STAFF:**

**Question**

How many self employed contract/agency staff are currently working for the States of Jersey, and could the Chief Minister provide the information broken down by individual Ministerial Departments under the following headings –

- (a) self employed contract

- (i) headcount
  - (ii) invoice value (monthly)
  - (iii) fee cost and expenses (breakdown)
  - (iv) period of engagement
  - (v) role or project.
- (b) agency staff
- (i) head count
  - (ii) invoice value
  - (iii) civil service Grade equivalent
  - (iv) role

**Answer**

The number of self-employed contracts and agency staff working for the States of Jersey (including non-ministerial departments) can be broken down as follows:

Self-employed contract – 33 \* *not including those employed by ESC/H&SS on sessional/ad-hoc basis*

Agency staff – 121.5

The number of self-employed contracts and agency staff broken down by each ministerial department is as follows:

**Chief Minister’s Department**

**Self-employed contract**

- |  |  |
|--|--|
| i. Headcount                           | 1  |
| ii. Invoice value (monthly)            | £450 per day (charged according to number of hours of work undertaken) |
| iii. Fee cost and expenses (breakdown) | n/a  |
| iv. Period of engagement               | n/a  |
| v. Role or project                     | Law-drafting   |

**Agency Staff**

- |                             |           |
|-----------------------------|-----------|
| i. Headcount                | a) 2.5    |
| ii. Invoice value (monthly) | a) £2,902 |

- |                                     |  |
|-------------------------------------|--|
| iii. Civil service Grade Equivalent | a) Grades CS3 and CS6<br>b) n/a                  |
| iv. Role                            | a) RPI Price Collectors, Secretarial- Population |

## Economic Development (including Harbours and the Airport)

### Self-employed contract

- |  |  |
|--|--|
| i. Headcount                           | a) Economic Development Department – 2<br>b) Harbours – 3<br>c) Airport – 4  |
| ii. Invoice value (monthly)            | a) £10,196 (monthly)<br>b) £4,000 (monthly), £750 (per day), £250 (per day)<br>c) £16,588.17 (monthly)   |
| iii. Fee cost and expenses (breakdown) | a) n/a<br>b) n/a<br>c) n/a   |
| iv. Period of engagement               | a) Employed from February 2010-2011, and November 2008 – December 2011<br>b) 1 employed to work 2 days per week, and 2 various hours until April/May 2011<br>c) 1 employed permanently, 1 March 2010 – August 2011, 1 November 2008 – March 2011, 1 July 2009 – July 2011      |
| v. Role or project.                    | a) Depositor Compensation Scheme and Developing Intellectual Property<br>b) Project Manager – building projects, Review of Marine Operations staffing levels, and Jersey Boat Show<br>c) Business Systems, HBS Consultant, Chairman of iReady, Consultant and member of iReady |

### Agency Staff

- |                                     |  |
|-------------------------------------|--|
| i. Headcount                        | a) 2 – Economic Development Department<br>b) 2 – Harbours<br>c) 2 – Airport  |
| ii. Invoice value                   | a) £5,184 (monthly)<br>b) £539 (weekly) and £235 (per day)<br>c) £586 (weekly) and variable hours between £500/700 per week. |
| iii. Civil service Grade Equivalent | a) Employed at Grades CS9 and CS5  |

- |          |   |
|----------|---|
|          | b) 1 Employed at Grade CS4 and 1 n/a                          |
|          | c) Employed at Grades CS5 and 6                               |
| iv. Role | a) Skills Policy Officer and Secretarial                      |
|          | b) Secretarial and standby cover for Master of States Vessels |
|          | c) Secretarial and credit control                             |

## Education, Sport and Culture

### Self-employed contract

- |   |  |
|---|--|
| vi. Headcount                           | Variable   |
| vii. Invoice value (monthly)            | Variable   |
| viii. Fee cost and expenses (breakdown) | and Nil in the majority (in a few instances uniform - £150)          |
| ix. Period of engagement                | Annually   |
| x. Role or project                      | Personal trainers, sport coaches, class instructors, child care etc. |

\* Individuals are contracted in the Sports Division to run classes/coaching etc. The number employed will vary depending on the classes offered and uptake. There are approximately 64 individuals registered to provide this service.

Agency Staff – none employed

## Health and Social Services

### Self-employed contract

- |                                   |  |
|-----------------------------------|--|
| Headcount                         | <ul style="list-style-type: none"> <li>• 1 x Hospital Director</li> <li>• 12 x ICR contractors</li> <li>• HSSD has c.35 self employed social services and Professional Allied to Medicine (PAMS) contractors registered to provide services on an ad-hoc or sessional basis. Headcount breakdown not available.</li> </ul> |
| Invoice value (monthly)           | <ul style="list-style-type: none"> <li>• Hospital director: £26,660</li> <li>• ICR: Approx invoice value for Dec(pending receive of final invoices): £97,452</li> <li>• Social services/PAMS value for Dec: £22,264</li> </ul>   |
| Fee cost and expenses (breakdown) | <ul style="list-style-type: none"> <li>• Hospital Director: no expenses</li> <li>• ICR: no expenses</li> <li>• Social services/PAMS: no expenses</li> </ul>  |
| Period of engagement              | Variable   |
| Role or project.                  | <ul style="list-style-type: none"> <li>• Hospital Director</li> <li>• Configuration, IT and Project management specialist working development of ICR (Integrated Care Record)</li> <li>• Social services e.g.: foster care support</li> <li>• PAMS e.g.: orthopaedics</li> </ul>   |

### Agency Staff



Headcount	<ul style="list-style-type: none"> <li>• 2 x admin temps (ASL)</li> <li>• 24 x locum doctors</li> <li>• 12 x agency nurses</li> </ul>
Invoice value	<ul style="list-style-type: none"> <li>• £5,338 ASL</li> <li>• Locum doctors: £188,758 in Dec 2010</li> <li>• Agency nurses: £99,933 in Dec 2010</li> </ul>
Civil service Grade Equivalent	<ul style="list-style-type: none"> <li>• 1 x admin temp Grade 5 &amp; 1 x admin temp Grade 6</li> <li>• No civil service equivalent for locum doctors</li> <li>• No civil service equivalent for agency nurses.</li> </ul>
Role	<ul style="list-style-type: none"> <li>• Administrative support</li> <li>• Locum doctors: provision of medical and clinical services</li> <li>• Agency nurses: provision of nursing services</li> </ul>

## Home Affairs

### Self-employed contract

i. Headcount	<p>a) 1 employed at the Prison</p> <p>b) 1 employed in the States of Jersey Police</p>
i. Invoice value (monthly)	<p>a) £2,400</p> <p>b) £7,003</p>
ii. Fee cost and expenses (breakdown)	<p>a) £2,200 monthly, 200 travel expenses</p> <p>b) £220 daily fee, £2,236 travel and accom.</p>
iii. Period of engagement	<p>a) ongoing (expected to be 3-5 years)</p> <p>b) from 1<sup>st</sup> Dec. 2010 to 28<sup>th</sup> Feb. 2011</p>
iv. Role or project.	<p>a) developing the Prison Information Management System</p> <p>b) setting up Offender Management Unit</p>

### Agency Staff

i. Headcount	29 * majority employed by the SoJ Police
ii. Invoice value	£109,798 (monthly)
iii. Civil service Grade Equivalent	manual worker 3/3 to Civil Servant 9/3
iv. Role	various - backfilling for permanent vacancies, specific technical support, supporting agreed growth areas

## Housing

### Self-employed contract – none employed

### Agency Staff

i. Headcount	3
ii. Invoice value	£1,680.80 (weekly)

iii. Civil service Grade Equivalent	2 employed at Grade CS5, 1 at CS6
iv. Role	Secretarial (covering for vacancy), Finance Officer (covering for vacancy), Compliance Officer (covering for long-term sickness)

## Planning and Environment

### Self-employed contract

i. Headcount	2
i. Invoice value (monthly)	a) £1,000 b) £2,432
ii. Fee cost and expenses (breakdown)	a) none b) only mileage when required
iii. Period of engagement	a) 5 months b) 1 monthly contracts (proposed 3 months)
iv. Role or project.	a) planning applications b) assist the Department review, develop and deliver the Countryside Renewal Scheme

### Agency Staff

i. Headcount	8
ii. Invoice value	£4,504.79 (monthly)
iii. Civil service Grade Equivalent	1 employed at Grade CS1, 2 at CS4, 1 at CS5, 2 at CS6, 1 at CS9, 1 CS12
iv. Role	3 Energy Efficiency Administrators, 1 Environmental Protection Administrator, 1 Natural Environment Protection Administrator, 3 Planning Applications Officers

## Social Security

### Self-employed contract – none employed

#### Agency Staff

i. Headcount	8
ii. Invoice value	£7,404.04 (weekly)
iii. Civil service Grade Equivalent	4 employed at Grade CS5, 3 at CS6 , 1 A grade
iv. Role	4 Workzone Assistants, 3 Income Support Assistants, 1 Interim Finance Director

## Transport and Technical Services

### **Self-employed contract**

- i. Headcount 2
- i. Invoice value (monthly)
  - a) £4,500
  - b) £7,000
- ii. Fee cost and expenses (breakdown)
  - a) 0
  - b) £1,200
- iii. Period of engagement 12 months subject to project needs
- iv. Role or project. Specific specialist project managers

### **Agency Staff**

- i. Headcount 5
- ii. Invoice value £2,960 (weekly)
- iii. Civil service Grade Equivalent Ranges from CS5 to CS10
- iv. Role From administration to qualified accountant

## **Treasury & Resources**

### **Self-employed contract**

- i. Headcount
  - a) Treasury – 1
  - b) Human Resources – 2
  - c) Property Holdings – 1
- i. Invoice value (monthly)
  - a) £5,750
  - b) variable - £19,300
  - c) £4,500
- ii. Fee cost and expenses (breakdown)
  - a) n/a
  - b) expenses apply to 1 - £1300 (monthly)
  - c) n/a
- iii. Period of engagement
  - a) n/a
  - b) 7.5 months and 3 months
  - c) 6 months
- iv. Role or project.
  - a) Financial Management Change Project
  - b) CSR related and OD support
  - c) maintenance, IT and change

## Agency Staff

- i. Headcount
  - a) Treasury – 9
  - b) ISD – 5
  - c) HR - 1
  - d) Procurement -7
- ii. Invoice value
  - a) £37,484.40 (monthly) and 2 employed on daily rates of £750 and £850 plus expenses
  - b) variable daily rates between £530-770, and 1 weekly contract £18.22 per hour
  - c) £19,500
  - d) £137,802 (monthly)
- iii. Civil service Grade Equivalent
  - a) 1 employed at Grade CS3, 3 at CS5, 1 at CS7, 1 at CS14, and 1 CHOFF 150, 2 no equivalent grade
  - b) 2 employed as Grades CS14, 1 CS12, 1 CS11, 1 CS6
  - c) n/a
  - d) n/a
- iv. Role
  - a) Secretarial, Accounts Payable Assistant, Payroll Assistant, Pensions Assistant, Interim Treasurer, International Tax Manager, Project Managers
  - b) Interim User Support Manager, Interim Data Centre Manager, Project Manager - Citizens database, HSS BSG Manager, IT Officer
  - c) HR and OD support – review of HR structure
  - d) Procurement Category Manager

## 4.2 SENATOR F. du H. LE GRESLEY OF THE MINISTER FOR SOCIAL SECURITY REGARDING CLAIMS FOR G.S.T. FOOD COSTS BONUS IN 2010:

### Question

Would the Minister provide a breakdown of the 1400 pensioner aged 65 plus households which claimed the GST Food Costs Bonus in 2010 by the following household type:-

- (a) pensioners who live alone
- (b) couples-one pensioner
- (c) couples- both pensioners?

Would the Minister provide details of actual expenditure in 2010 against budget for the GST Food Costs Bonus and for Income Support Special Payments-Cold Weather Payments and the budget figures for each benefit for 2011?

### Answer

The figure of 1,400 quoted by Senator Le Gresley comes from an initial estimate of approximately 1,050 to 1,400 pensioner households. After detailed analysis the actual number is 979.

The table below provides a breakdown of 2010 Food Costs Bonus claims by pensioners in household type:

Household Type	Number of claims
Pensioners who live alone	547
Couples - one pensioner	68
Couples - both pensioner	364
Total	979

In respect of Food Costs Bonus and Income Support Cold Weather payments, the budget and spend are as follows:

2010

Budget	Actual Spend	
(£)	(£)	
GST Food Costs Bonus	800,000	205,784
Income Support Cold Weather Payments	750,400	628,669

Please note that the spend figures quoted for 2010 are subject to audit.

2011

Budget	
(£)	
Food Costs Bonus	385,633
Income Support Cold Weather Payments	727,750

Removal of the Food Costs Bonus was submitted as a savings proposal as part of the Comprehensive Spending Review process for 2011. This proposal was subsequently amended twice resulting in the retention of the bonus with a revised budget reflecting current spend. However, as a result of recent close working with the Income Tax Department and analysis of the Income Distribution Survey data, the number of over 65's claiming the Food Costs Bonus currently is approximately one third of the potential claimants in this age group. The current budget reflects the possibility of some increased take up with an additional £75,000 as a result of the increase in GST from June. If all eligible households did claim the current budget would be insufficient.

**4.3 DEPUTY P.V.F. LE CLAIRE OF ST. HELIER OF THE CHIEF MINISTER REGARDING THE ROLES AND RESPONSIBILITIES OF ASSISTANT MINISTERS:**

**Question**

Will the Chief Minister advise members –

- (a) what the duties and responsibilities are of each Assistant Minister - please detail individually;
- (b) whether Assistant Ministers have budgets under their direct control or authority and, if so the total amounts of such funds;
- (c) whether credit pr purchase cards and/or expense allowances are allocated to Assistant Ministers and, if so, give details ?

**Answer**

- (a) Members will be aware that the duties and responsibilities of Assistant Ministers are published on the States website. I attach the link for information <http://www.gov.je/Government/HowGovernmentWorks/Pages/DelegatedFunctions.aspx>
- (b) The funding allocated by the States to a Department is the responsibility of that department's accounting officer. The accounting officer can delegate responsibility for some of that funding but remains directly accountable for all expenditure of the department.
- (c) No Assistant Minister has a purchase card provided for the purpose of his or her appointment as an Assistant Minister, nor do they receive an expense allowance as an Assistant Minister.

**4.4 THE CONNÉTABLE OF GROUVILLE OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE FUTURE OF THE FORMER JERSEY COLLEGE FOR GIRLS SITE:**

**Question**

What plans, if any, does the Minister have for the development/disposal of the Jersey College for Girls site?

**Answer**

The Minister intends to secure the disposal of the former Jersey College for Girls site for the most advantageous terms, with a development project which acts as a catalyst for the regeneration of the surrounding residential areas in the North of St Helier.

Centre Point has already relocated to the former La Pouquelaye School, which it shares with the local youth and community services. This move has effectively doubled the development potential of the JCG site

Jersey Property Holdings (JPH) has appointed professional advisers who have considered the existing planning consent, the possible impact of existing market conditions, the methods of disposal and potential returns.

The Planning and Environment Minister has been consulted and agrees with JPH that the scheme for JCG must be of the highest architectural standard to encourage the regeneration of this historically important area of St Helier.

Work continues on a detailed planning application which is due after Easter this year. Subject to approval, it is hoped the site can be sold by the end of 2011.

#### **4.5 SENATOR B.E. SHENTON OF THE CHIEF MINISTER REGARDING THE WORK INVOLVED IN PREPARING ANSWERS FOR STATES MEETINGS:**

##### **Question**

At the States sitting of the 1st February, 2011 there were a total of 53 questions requiring answers (35 written/18 oral), will the Chief Minister provide an estimate of the work involved in collating answers and estimated costs incurred on behalf of all Ministers for the 53 questions -

<b>Name</b>	<b>No. Of Questions</b>	<b>Estimated Man Hours</b>	<b>Estimated Cost (£)</b>
Senator A. Breckon	2 (W*)		
Senator F. du H.Le Gresley	1 (W*)		
Senator J.L. Perchard	3(W*)		
Connétable Grouville	1 (O+)		
Deputy A.K.F. Green	3 (2W* & 1O+)		
Deputy M.R. Higgins	4(2W* & 2O+)		
Deputy P.V.F. Le Claire	6 (5W* & 2O+)		
Deputy R.G. Le Herissier	1 (O+)		
Deputy G.P. Southern	7 (5W* & 2O+)		
Deputy of St John	6 (4W* & 2O+)		
Deputy of St Martin	4 (2W* & 2O+)		
Deputy of St Mary	5 (4W* & 1O+)		
Deputy S. Pitman	1 (O+)		
Deputy T.M. Pitman	7 (5W* & 2O+)		
Deputy M. Tadier	2 (2O+)		
<b>TOTAL</b>	<b>53</b>		

\*W - Written

+O – Oral

## Answer

It is very difficult to provide an accurate and meaningful estimate of the work involved in answering the 53 questions asked at the States Sitting on 1<sup>st</sup> February 2011. The amount of work involved answering questions asked of Ministers varies according to the number of questions asked of individual Ministers, the nature and complexity of the questions, the amount of research required to answer the questions, and the number of staff, and their grades, involved in the process of answering the questions.

To answer the question asked by Senator Shenton in the format requested would require a disproportionate amount of work compared to the benefit derived. However, in order to assist in providing a reasonable estimate of the work undertaken by departments in answering States Questions on 1<sup>st</sup> February 2011 I can provide the following data:

### Man hours and Costs incurred by department in answering States Written and Oral Questions for the States Sitting on 1<sup>st</sup> February 2011

Department	Estimated Man Hours	Estimated Cost (£)
Chief Ministers	26	1,045
Economic Development	36.5	1,935
Education, Sport & Culture	4	197
Health & Social Services	60	3,000
Home Affairs	36.5	1,335
Housing	3.5	168
Planning & Environment	3.5	229
Social Security	12	554
Transport & Technical Services	16.5	590
Treasury & Resources	33.5	1,980
Committee de Connetable	2	48
PPC	3	178
<b>Total</b>	<b>237</b>	<b>11,259</b>

If the estimated total cost of £11,259 is typical for a States Sitting then the estimated cost for the year would be in the region of some £200,000.

For Members' information the total amount of time taken across departments to answer this question is estimated to be approximately 41 staff hours at an estimated cost of £1,315.

For further information I can provide Members with a breakdown of the number of States Questions from 2006 – 2010 which I attach as an appendix.





**NUMBER OF QUESTIONS****2006 to 2008 totals**

The breakdown of Ministers, Panels, Committees and others with official responsibilities answering the **written questions** was as follows –

	<b>2008</b>	<b>2007</b>	<b>2006</b>
Chief Minister	<b>42</b>	29	27
Economic Development	<b>35</b>	27	25
Treasury and Resources	<b>34</b>	28	34
Social Security	<b>28</b>	16	17
Home Affairs	<b>23</b>	18	12
Transport and Technical Services	<b>23</b>	14	21
Housing	<b>22</b>	21	10
Planning and Environment	<b>19</b>	16	13
Health and Social Services	<b>18</b>	11	14
Education, Sport and Culture	<b>14</b>	17	16
Privileges and Procedures	<b>11</b>	3	4
Comité des Connétables	<b>3</b>	3	2
Environment Scrutiny Panel	<b>2</b>	3	0
HM Attorney General	<b>2</b>	1	1
Public Accounts Committee	<b>1</b>	2	0
Education and Home Affairs Scr. Panel	<b>1</b>	0	0
Health, Soc. Sec. and Housing Scr. Panel	<b>1</b>	0	0
Commonwealth Parliamentary Assoc.	<b>1</b>	0	0
Chairmen's Committee	<b>0</b>	0	1
<b>TOTAL</b>	<b>280</b>	<b>209</b>	<b>197</b>

The breakdown of Ministers/Committees answering the **oral questions with notice** was as follows –

	<b>2008</b>	<b>2007</b>	<b>2006</b>
Transport and Technical Services	<b>28</b>	19	34
Home Affairs	<b>27</b>	24	25
Social Security	<b>24</b>	8	14
Treasury and Resources	<b>22</b>	34	28
Chief Minister	<b>21</b>	39	33
Planning and Environment	<b>17</b>	19	15
Health and Social Services	<b>16</b>	21	14
Education, Sport and Culture	<b>16</b>	12	27
Economic Development	<b>13</b>	40	32
Housing	<b>10</b>	17	6
Privileges and Procedures Committee	<b>3</b>	6	2
H.M. Attorney General	<b>3</b>	2	0
Comité des Connétables	<b>1</b>	2	5
Commonwealth Parliamentary Association	<b>1</b>	0	0
Environment Scrutiny Panel	<b>0</b>	3	0
Chairmen's Committee	<b>0</b>	1	0
Education and Home Affairs Scrutiny Panel	<b>0</b>	1	0
<b>Total</b>	<b>202</b>	<b>248</b>	<b>235</b>

### **2009 figures**

The breakdown of Ministers, Panels, Committees and others answering the **written questions** was as follows –

	<b>2009</b>
Treasury and Resources	65
Chief Minister	61

Transport and Technical Services	50
Social Security	43
Health and Social Services	42
Economic Development	38
Education, Sport and Culture	27
Planning and Environment	26
Home Affairs	22
Housing	14
HM Attorney General	13
Privileges and Procedures	8
Comité des Connétables	7
Chairmen's Committee	2
Health and Social Services and Housing Scrutiny Panel	1
Environment Scrutiny Panel	0
Public Accounts Committee	0
Education and Home Affairs Scrutiny Panel	0
Commonwealth Parliamentary Association	0
<b>Total</b>	<b>419</b>

The breakdown of Ministers/Committees and others with official responsibility answering the **oral questions with notice** (including the six urgent questions) was as follows –

	<b>2009</b>
Economic Development	<b>50</b>
Chief Minister	<b>47</b>
Treasury and Resources	<b>44</b>
Home Affairs	<b>40</b>
Health and Social Services	<b>36</b>
Transport and Technical Services	<b>23</b>
Education, Sport and Culture	<b>20</b>
Planning and Environment	<b>17</b>
Social Security	<b>17</b>
Housing	<b>15</b>

H.M. Attorney General	<b>13</b>
Comité des Connétables	<b>6</b>
Privileges and Procedures	<b>6</b>
Chairmen's Committee	<b>4</b>
Education and Home Affairs Scrutiny Panel	<b>1</b>
<b>TOTAL</b>	<b>339</b>

## 2010 figures

	<b>2010</b>
No. of written questions	482
No. of oral questions with notice answered (inc. urgent)	338

## 4.6 DEPUTY P.V.F. LE CLAIRE OF ST. HELIER OF THE CHIEF MINISTER REGARDING THE NEW MIGRATION LEGISLATION:

### Question

In which month of which year will the Chief Minister bring forward for debate the new Migration legislation?

Will the new Migration Law solely cover people and their migration in and out of Jersey?

To what extent will the new Law cover the existing property market, if at all, and in what way?

Would the Minister advise how a person's residential and employment status shall be determined to be –

- (a) Entitled
- (b) Licensed
- (c) Entitled for work only; or
- (d) Registered

Under which circumstances will they be capable of losing any particular residential or employment status?

How many people are currently estimated to be less than ten years resident in the Island and how many of those will be able to purchase property when the law has been in existence for 1 week?

## Answer

The legislation will be lodged by the end of February/early March 2011 latest, with the aim of a May, 2011 debate.

The new legislation will place obligations on the following people to register/make notification:

- All new residents
- All persons obtaining new work, unless they have already made notification
- All persons leasing or purchasing property
- All persons moving address
- All persons ceasing to be resident in the Island.

Administratively, these obligations will be brought together with other existing obligations in so far as this is possible, for example, persons registering for Social Security will also be registered for the above. In that way, the law is not designed to be onerous, while also substantially improving information gathering and compliance.

The new legislation will cover all residential property in Jersey, assigning to all units a residential status, whether “Qualified” or “Registered”, and dealing with who may purchase or lease and occupy that property with reference to residential status.

The gaining and retaining residential status will be dealt with by Regulation, with the following presently proposed:

- (a) Entitled – a person will be Entitled after 10 years residence, this being continuous residence for person not born in Jersey, and aggregate residence for a person born in the Island; a person will lose this status having been out of the Island for longer than an aggregated period of 5 years, with some additional provisions to give greater protection to very long standing residents.
- (b) Licensed – a person may be granted Licenced status if their employer has been granted the required permission; and a person may lose this status if the permission expires or their employer uses the permission for another employee.
- (c) Entitled for work only – a person will be Entitled for Work following five years continuous residence; and this status is lost on ceasing to be resident in Jersey
- (d) Registered – all other persons required to register; they are required to de-register on ceasing to be resident.

The above is broadly as consulted upon. The full details will be available very shortly when the Law is lodged – when the Regulation dealing with the above will also be published.

There are approximately 10,000 persons in Jersey with less than 10 years residence, of whom, 1,700 are 1(1)(j) residents, almost all of whom have the ability to buy property and will continue to do so. To put it another way, the proposed legislation will not add one single person to the pool of potential purchasers in Jersey.

**4.7 SENATOR J.L. PERCHARD OF THE CHAIRMAN OF THE COMITÉ DES CONNÉTABLES REGARDING PARISH RECYCLING SCHEMES:**

**Question**

Does the Comité des Connétables consider it unacceptable to burn an estimated 40 million used metal cans and tins in the Island's incinerator and, if so, will they agree to formally canvass the views of their parishioners at Parish Assemblies over a proposal to introduce a monthly kerb-side collection for metal cans and tins and if not, why not?

**Answer**

The Comité has not had the opportunity to discuss this question prior to 1st February 2011 but will do so at its next meeting and will inform Senator Perchard of its views following the meeting.

**4.8 THE DEPUTY OF ST. MARTIN OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING ACCESS TO PROPERTIES UNDER THE WATER (JERSEY) LAW 1972:**

**Question**

Given that the 'Draft Water (Amendment No.3) (Jersey) Law 200-' (P.58/2008) was intended to address concerns relating to the legality of access to property by servants and agents of the Jersey New Waterworks Company, will the Minister inform Members why the proposition was withdrawn and whether the existing Water (Jersey) Law 1972 or any other law permits the Waterworks Company to access property for the installation of water meters and any other new equipment?

**Answer**

I would offer my thanks to the Deputy for his question. In order to allow me to answer it, I must first give some background regarding my Departments vires in respect of the legislation under discussion and importantly where this responsibility stops.

Planning and Environment actively regulate the Water (Jersey) Law 1972 in respect of wholesomeness of water provided by Jersey New Waterworks Company (the company) for drinking, and the company are bound by the articles of the law in respects of operational issues.

The initial proposed (and withdrawn) amendment to the law (the Draft Water (Amendment No.3) (Jersey) Law 200-) was drafted by Planning and Environment after being approached by the company to do so.

I withdrew the proposed amendment as it closely followed a proposition made by the then Minister for Transport and Technical Services which proposed access to land and property for another reason, namely to allow developers and other third parties access to lay drainage pipes on private land. This proposition was not supported by the house and my decision to withdraw our proposed amendment was because there were similarities between the TTS proposal and ours which, I thought, would not be acceptable to the house. No further approach was made from the company to our department on this issue following the withdrawal and I understand that the company took legal advice as to whether the Water 1972 Law enabled them to proceed with their infrastructural changes.

The company have previously pointed out that, in the vast majority of cases, no access to private premises is required in order to fit a meter. Meters and ancillary equipment (which remain the

property of the Company) are usually located in the public highway or on the pavement outside the property. In some infrequent cases, where access may be required, Jersey Water has the necessary permissions under both its Terms and Conditions, and the Water (Jersey) Law 1972, as follows:

**A) Terms and Conditions (to which all customers sign up when they become customers of Jersey Water)**

“Access to premises

The Company staff shall have a right of access at all reasonable times onto any part of the premises or the property of which the premises form part in order to:

1. turn the stop-valve on or off,
2. install, read, replace or maintain the water meter and ancillary equipment,
3. carry out any repairs to the supply pipe deemed necessary by the Company,
4. prevent the wastage of water, or
5. inspect premises for compliance with the provisions of the bye-laws.”

**B) Water (Jersey) Law 1972: PART 7: Article 35:**

“Entry on Land

- (1) Subject to the provisions of this Article, any person duly authorised in that behalf by the Company shall, on producing, if so required, evidence of his or her authority, have a right to enter any land at all reasonable hours for the purpose of -
  - (a) inspecting and examining meters used by the Company for measuring the water supplied and of ascertaining therefrom the quantity of water consumed;
  - (b) ascertaining whether there is or has been, on or in connection with that or any other land, any contravention of the provisions of this Law or of any Order or bye-laws made thereunder;
  - (c) ascertaining whether or not circumstances exist which would authorise the Company to take any action, or execute any work, under this Law or any such Order or bye-laws;
  - (d) taking any action, or executing any work, which the Company is authorised or required by this Law, or any such Order or bye-laws, to take or execute.
- (2) Any person who wilfully obstructs any person upon whom a right of entry has been conferred by this Article or by any other provision of this Law, or any Order or bye-law made thereunder, shall be guilty of an offence or shall be liable to a fine not exceeding £200.”

**C) Water (Jersey) Law 1972: PART 2: Article 3 (8)**

“Laying of pipes in land not in public ownership



(8)... the rights to carry out the works specified in the notice and to have access thereto by its servants or agents at all reasonable times for the purpose of inspection, maintenance or repair .....

Where water supplies are located on private property it the company's practice to liaise with the owners in respect of arranging for the meter to be fitted (especially where the location of the stop tap may not be readily accessible).

I would again reinforce that the operational aspects of this law are not under the jurisdiction of Planning and Environment and would respectfully suggest that the Deputy approach the company.

#### **4.9 THE DEPUTY OF ST. MARTIN OF THE CHIEF MINISTER REGARDING THE NAPIER TERMS OF REFERENCE:**

##### **Question**

With reference to the removal of Part (d) from the Napier Terms of Reference will the Chief Minister inform Members –

- (a) the date on the former Chief Officer of the States of Jersey Police's letter to the Deputy Chief Executive when he actually agreed to partake in the Review without any caveats?
- (b) the date when the Chief Minister was informed that part (d) was removed from the Napier Terms of Reference?
- (c) why the Chief Minister did not inform Members or the Deputy of St Martin of the deletion?
- (d) the date when the Deputy Chief Executive submitted the Terms of Reference and Mr Napier's CV to the Council of Ministers?
- (e) the date when the Chief Minister signed the Ministerial Decision?
- (f) the date when R.39/2010 was submitted for printing prior to being presented?

##### **Answer**

- a) The former Chief Officer of Police responded on 31 March 2010, indicating his clear intention to fully participate in the review process being conducted by Mr. Brian Napier QC. The former Chief Officer of Police also wrote to the Deputy Chief Executive on 22 April 2010, having received certain clarifications to points raised in earlier correspondence again indicating his full participation in the review process.
- b) The Chief Minister was not informed that part (d) of the Terms of Reference contained in R.39/2010 had been removed. I stated in my answer to the Deputy of St. Martin on 18 January 2011, paragraph (e) that the relevant paragraph was not removed from the Terms of Reference. There was a reproduction error when the report was sent from my Department which omitted page 2 of the report that contained the relevant paragraph (d) in the Terms of Reference as well as other information relating to the preparation of reports etc.
- c) I refer the Deputy of St. Martin to my answer of 18 January 2011, where I answered this question in part (f) of the Question.

- (d) The Terms of Reference were submitted to the Council of Ministers on 9 April 2010.
- (e) The Ministerial Decision signed by the Chief Minister on 13 April 2010.
- (f) R.39/2010 was submitted to the Greffe before printing on 13 April 2010.

**4.10 SENATOR F. du H. LE GRESLEY OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE FUNDING OF A COMMITTEE OF ENQUIRY:**

**Question**

Would the Minister, after consultation with H.M. Attorney General if necessary, advise if the use of money in the Criminal Offences Confiscations Fund could be applied for the purpose of funding the cost of a Committee of Inquiry into historical child abuse by virtue of Article 24 (4)(a)(ii) of the Proceeds of Crime (Jersey) Law 1999 which states that *“the Fund shall be applied by the Minister.... in promoting or supporting measures that, in the opinion of the Minister, may assist..... in dealing with the consequences of criminal conduct”*?

Would the Minister also advise the current balance of the Criminal Offences Confiscations Fund?

**Answer**

Having consulted with H.M. Attorney General, I have reached the view that monies in the Criminal Offences Confiscation Fund ("COCF") are unlikely to be capable of being applied for the purpose of funding the cost of a Committee of Inquiry into historical child abuse.

The COCF is established under Article 24 of the Proceeds of Crime (Jersey) Law 1999. Article 24(4) sets out the circumstances in which the COCF, which is separate from the general revenues of the States, can be used.

Article 24(4) and (5) are the relevant provisions:

- (4) Subject to paragraph (5), monies in the Fund shall be applied by the Minister for the following purposes, that is to say –
  - (a) in promoting or supporting measures that, in the opinion of the Minister, may assist –
    - (i) in preventing, suppressing or otherwise dealing with criminal conduct,
    - (ii) in dealing with the consequences of criminal conduct, or
    - (iii) without prejudice to the generality of clauses (i) and (ii), in facilitating the enforcement of any enactment dealing with criminal conduct;
  - (b) discharging Jersey’s obligations under asset sharing agreements; and
  - (c) meeting the expenses incurred by the Minister in administering the Fund.

- (5) Before promoting or supporting any measure under paragraph (4)(a), the Minister shall consult the Attorney General and other persons or bodies (including other Ministers) as the Minister considers appropriate.

Where there has already been a full criminal investigation and prosecutions have taken place, it would be difficult to construe such an Inquiry as "dealing with the consequences" of criminal conduct (Art 24(4)(ii)).

A final view could be taken when the terms of reference of any such Committee of Inquiry are published. However, on the basis of present information, any link with criminal conduct is likely to be indirect or tangential.

The total available balance in the COCF as at 31 December 2010 was £8,257,520.

#### **4.11 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE FUTURE OF ZERO/TEN:**

##### **Question**

Can the Minister confirm that the High Level Working Group set up to report on the extent of the EU Code on Business Taxation and Jersey's current position with respect to zero/ten has already met and confirmed that zero/ten is harmful, and if so, does he accept that the time has come to join Guernsey in making a commitment to abandon zero/ten?

##### **Answer**

The High Level Working Party met on 31 January 2011 and considered Jersey's zero/ten corporate tax regime. The formal report to ECOFIN dated 4 February 2011 (reference 6054/11) is publicly available on the Council of Europe's website: [http://register.consilium.europa.eu/servlet/driver?lang=EN&ssf=DATE\\_DOCUMENT+DESC&fc=REGAISEN&srm=25&md=400&typ=Simple&cmsid=638&ff\\_TITRE=code+of+conduct+business+taxation&ff\\_FT\\_TEXT=&ff\\_SOUS\\_COTE\\_MATIERE=&dd\\_DATE\\_REUNION=&rc=1&nr=286&page=Detail](http://register.consilium.europa.eu/servlet/driver?lang=EN&ssf=DATE_DOCUMENT+DESC&fc=REGAISEN&srm=25&md=400&typ=Simple&cmsid=638&ff_TITRE=code+of+conduct+business+taxation&ff_FT_TEXT=&ff_SOUS_COTE_MATIERE=&dd_DATE_REUNION=&rc=1&nr=286&page=Detail).

The High Level Working Party has confirmed the earlier findings of the EU Code of Conduct Group that the combination of the Deemed Distribution rules and zero/ten does give rise to harmful effects.

Ministers are considering what action would be appropriate to take in response to this report and an announcement will be made shortly.

#### **4.12 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR SOCIAL SECURITY REGARDING WEEKLY BENEFITS PAYMENTS**

##### **Question**

Will the Minister break down the £91,707,000 cost of Income Support in 2010 to provide the amounts paid out in:

weekly benefit,

residential care,

transition (protected payments),  
special payments,  
winter fuel allowance and  
administration.

Will he also inform members what the impact on the weekly overall payment of the reduction in transition payments in October 2010 was?

Does the Minister have the capacity to further break down the weekly benefit payments into individual the components of income support, and if so, will he give this information to members, and if not, inform members why not?

**Answer**

The cost of Income Support for 2010 given in answering question 5988 was prepared ahead of the year end accounting adjustments to report for prepayments of benefit and debtors in accordance with accounting standards.

After having made these adjustments, the cost of Income Support in total was £87,801,898 (subject to audit)

Analysed into the above categories required these are as follows:

	(£)
Weekly Benefit	61,669,843
Residential Care	16,713,412
Transition	4,059,753
Special Payments	1,802,064
Winter Fuel	628,669
Administration	<u>2,928,157</u>
	<u>87,801,898</u>

The impact on the weekly overall payment of the reduction in transition payments in October 2010 was a reduction of £22,181. This is shown as follows:

Weekly total transition benefit paid before 1 October was £73,687

Weekly total transition benefit paid immediately after 1 October was £51,506

Income support is a unified benefit and the value of each claim depends on the balance between the needs and the income of individual households. It is not possible to allocate a definitive value to each component as the amount paid will depend on the income of each household.

To estimate the split between the different components, a formula has to be applied to the value of the total benefit. This will be provided once the analysis has been completed.

**4.13 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE TAX TRANSPARENCY OF THE ISLAND:**

**Question**

Is the Minister able to offer any explanation of the reasons why HM Revenue and Customs, when linking new enhanced penalties relating to the tax transparency of the territory in which the income or gain arises in relation to Income Tax and Capital Gains Tax, would place Jersey in “category 2” (penalties set at 1.5 times liability) whereas Guernsey, the Isle of Man and Cayman are in “category 1” (penalties set at 1.0 times liability)?

Has the Minister been notified of the reasons why Jersey would be regarded as “less transparent” than Guernsey?

**Answer**

The UK announced changes to its tax penalty regime in March 2010, which will apply with effect from 6 April 2011. The changes mean that higher penalties may be applied where a taxpayer makes an error in connection with income or gains held outside the UK.

The level of penalty applied depends on where the income or gains are held. Territories are split into three categories, with the lowest penalties applied to transactions involving territories in Category 1, and the highest to territories in Category 3. The classification is based on the degree to which individual territories exchange information with the UK regarding income from savings.

Jersey exchanges information on taxpayers with the UK partly automatically and partly on request under the EU Savings Tax Directive and is therefore in Category 2. Guernsey and the Isle of Man automatically exchange information on savings with the UK under the Directive, and so have been placed in Category 1.

Jersey has agreed to move to Automatic Exchange of Information under the EU Savings Tax Directive once the transitional period has ended.

**4.14 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING FOREIGN-OWNED NON-FINANCE COMPANIES SUBJECT TO 0 PER CENT TAX:**

**Question**

Will the Minister clarify how much each of the two groups (companies trading locally and those that are clients of the finance industry) which comprise the 17,600 foreign-owned non-finance companies subject to 0% tax pays –

- (a) in annual company return fees;
- (b) in International Service Entities (ISE) fees, and;

Would he also give an estimate of how much each group contributes in terms of –

- (i) employer social security contributions;

- (ii) employee income tax and social security contributions, along with the proportion of the £14.6 million of exempt company fees and annual company return fees paid by each in 2008?

**Answer**

Neither the Taxes Office nor the Social Security Department electronically record the ownership profile of the companies with which they deal, nor do they distinguish between clients of the finance industry and other types of company. It is therefore impossible to provide the Deputy with the figures requested with any degree of precision, without a manual review of each file.

Figures provided in response to the Deputy's earlier questions on this topic (see responses of 1 February and 18 January 2011) were estimates based on reasonable assumptions regarding the ownership profile of Jersey companies. However, the information now requested would require investigation at such a granular level that it would be difficult to draw meaningful assumptions.

To answer this question accurately would require a company by company analysis which would take months of valuable resource. If the Deputy could provide an indication of what he is trying to achieve, it may be possible to collate some more useful information.

To give an indication, ITIS records do not distinguish between formerly exempt companies and 0% trading companies, nor do they hold any information relating to the location of the ownership of employing companies. In 2010, approximately £100 million was collected through ITIS by companies which are taxed at the 0% rate, in respect of approximately 43,000 individual employees.

The Social Security Department does classify contributions from different industries, which could allow it to identify total contributions from "non-financial services companies". The contributions for these entities cannot be collated in the short period given. However, this figure is also likely to be incomplete as it will not reflect the contributions from companies which are classified as falling within the financial services sector but which are subject to income tax at the 0% rate.

**4.15 DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING THE ODEON CINEMA SITE:**

**Question**

How does the Minister reconcile the listing of the Odeon Cinema with his statement that he would welcome an imaginative scheme for this property?

Would such a scheme be expected to retain the outward appearance of the building and all its noteworthy internal features?"

**Answer**

As the Odeon Cinema was already a Listed Building, the question that I was recently required to answer was whether or not the special architectural and historic of the building had ceased to exist<sup>1</sup>.

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<sup>1</sup> Article 51(5) of the Planning and Building (Jersey) Law 2002 enables the Minister to remove a building or place from the List where he is satisfied that its special interest has ceased to exist.

Article 51(2)(b) of the Planning and Building (Jersey) Law 2002 enables the Minister to include on a List those buildings and places that the Minister is satisfied has public importance by reason of the special archaeological, architectural, artistic, historical, scientific or traditional interest that attached to the building or place.

It was quite clear, from the evidence presented to me, that the building is still of architectural and historic interest and that it deserves to remain a Listed building.

The decision to retain the status of the Odeon Cinema as a Listed building was based solely on an assessment of its heritage value, as required by law and, therefore, I have no need to reconcile this decision with any subsequent determination of its future use or development.

My decision to retain the Listed status of the Odeon Cinema does not predetermine the outcome of any future planning application. I would, however, have to assess any planning application against the existing planning policy regime for Listed buildings provided by the 2002 Island Plan. This states that there is a presumption in favour of preserving their architectural and historic character and integrity and a clear presumption against their demolition<sup>2</sup>.

The best way of securing the character and integrity of an historic building is to ensure that it is used and I would welcome an imaginative scheme that secured the future use of the Odeon Cinema building. In assessing any such scheme I would adopt a pragmatic, rather than a purist, approach to conservation, to enable its sensitive adaptation. There is much evidence, from the UK, that the re-use and regeneration of cinema buildings can be successfully achieved.

If, however, it can be clearly demonstrated to me that the sensitive adaptation of the building cannot be achieved, then I am able to give favourable consideration to the comprehensive redevelopment of the building, contrary to the policy presumption provided by the Island Plan. I can make a decision that is contrary to the policies set out in the Island Plan where I consider there to be sufficient justification to do so<sup>3</sup>. In this particular case, I would be willing to consider an imaginative scheme for the development of this site which demonstrated the highest architectural quality and which delivered significant public benefit of value to the regeneration of this part of the town.

It is relevant to note that there is no current planning application to redevelop the Odeon Cinema

#### **4.16 DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR OF THE CHIEF MINISTER REGARDING THE COST OF ADVICE ON E.U. ISSUES OVER THE PAST 5 YEARS:**

##### **Question**

What sums have been spent in each of the last 5 years in obtaining ad hoc advice from advisers monitoring and advising upon EU issues and what is the current budget of the Chief Minister's Department for managing external affairs, broken down into major areas of activity?

##### **Answer**

The amount spent in obtaining ad hoc advice and monitoring from advisers regarding European matters was £340,000 in 2010, £370,000 in 2009, £80,000 in 2008, £135,000 in 2007 and £115,000 in 2006. These figures are for spending in the Chief Minister's Department and Law Officer's Department only and do not take into account spending in other Departments. Identifying the funds spent on these issues across all States Departments would incur a significant administrative cost.

The current budget for managing external affairs is £1,578,600 as detailed in the 2011 Chief Minister's Department Business Plan for 2011, which also includes the major areas of activity.

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<sup>2</sup> See policies G11 and G13 of the 2002 Island Plan, approved by the States on 11 July 2002.

<sup>3</sup> Article 19 (3) of the Planning and Building (Jersey) Law 2002.

#### **4.17 THE DEPUTY OF ST. MARY OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING THE LIQUID WASTE STRATEGY:**

##### **Question**

Can the Minister inform members –

1. of the latest estimate of the full cost of implementing the Liquid Waste Strategy?
2. what the principal elements of this expenditure are?
3. what progress has been made to establish a funding model for this expenditure?

##### **Answer**

- 1) The latest estimate of the full cost of implementing the Liquid Waste Strategy?

The latest estimate for delivering the Liquid Waste Strategy totals £0.55 million.

- 2) The principal elements of this expenditure are?

It is proposed to appoint a competent technical adviser to draw up a Reference Project from the preferred technical solution that emerges from the Liquid Waste Strategy green paper, which will act as the technical pro-forma for assessing alternative funding, procurement and delivery options. The current technical adviser has provided estimates for preparing the Reference Project of approximately £150,000.

A financial adviser is also needed to identify, in consultation with the Treasury and other key stakeholders, the most appropriate delivery mechanism and to work through the various procurement and delivery options to identify a preferred solution, based upon the Reference Project, which would then be presented to the States for consideration. The cost of financial advice in the current market and given the variable nature of the scope is unclear without market testing. A nominal estimate of £150,000, based on similar exercises, has been indicated that should be sufficient for development of a draft business case during 2011.

It will also be necessary to maintain an internal project team to oversee the development of the Business Case. This team would be led by a Director (50% of post) supported by a full time Project Manager (provided by the Technical Adviser) and Project Support Officer (50% post). The cost of this team for 2011 would be approximately £200,000.

External quality assurance for the process by the UK Public Private Partnership Programme is also proposed at a budget cost of £50,000.

It is proposed that the Draft Business Case would be developed by Transport and Technical Services Department in full consultation with and on behalf of Treasury and Resources during 2011.

- 3) What progress has been made to establish a funding model for this expenditure?

Feasibility work on the development of a Liquid Waste Strategy has been undertaken during 2008 and 2009 which sets out the investment needed to replace the aging Sewage Treatment Works, upgrade the treatment technology to meet higher environmental and health demands now required by legislation and to maintain and improve the drainage infrastructure network to an acceptable standard.

Substantial and timely investment of capital funding is necessary to avoid deterioration of the assets to the point where they become critical and to avoid environmental or health regulatory enforcement action.



This investment is estimated in the following table, assuming that the most affordable currently feasible option is adopted. This equates to an investment of approximately £10 million capital per annum.

Investment Element	Approximate 20 Year Capital Cost
	£' million
Rising Mains (capital maintenance and new build)	£2.0
Sewers (capital maintenance only)	£55.9
Network upgrade (for new properties and additional connections)	£56.4
Sewage Pumping Stations (capital maintenance only)	£8.5
Sewage Treatment Plant and Outfall (capital maintenance and new build)	£43.3
<b>Total</b>	<b>£166.1</b>
Property Connections (new build to achieve 90% connection)	£44.0
<b>Total</b>	<b>£210.1</b>

In addition, the operating costs of the upgraded facilities are considerable. Estimated at approximately £100 million over the 20 year operating period.

The capital investment requirements include the following key items to enable the liquid waste service to provide a sustainable service to existing customers:

- Replacement/rehabilitation of 3km of sewers and drains per year
- Replacement/rehabilitation of 1km of rising mains per year
- Refurbishment of the pumping stations.
- Refurbishment/replacement of assets at the Bellozanne Sewage Treatment Works
- Extension of Bellozanne Sewage Treatment Works such that it can achieve an acceptable Nitrogen discharge standard.
- Extension of the existing Bellozanne Sewage Treatment Works outfall to below low water level.
- Increased odour control provision at Bellozanne Sewage Treatment Works and selected pumping stations.
- Implementation of key projects (including St Peter's Valley, Milbrook and Philip St Shaft) to reduce flooding risk.

The overall expenditure programme, once both capital and operational costs are incorporated, is of the order of £17m per annum over the 20 year plan period.

Potential sources of funding have been identified as follows:

- Direct taxation (as currently);
- Borrowing
- Infrastructure charges to be levied on Developers;
- Direct customer billing for Sewerage and Drainage Services; or
- a combination of the above (potentially introduced in phases)

These will be investigated during the development of the Business Case for delivery of this Strategy with a view to recommending the best balance of charging sources for the States of Jersey.

**4.18 THE DEPUTY OF ST. MARY OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING TRENDS IN ACTIVITY WITHIN CERTAIN SECTIONS OF THE HOSPITAL:**

**Question**

Can the Minister inform members of trends in activity over the last 5 years in Accident and Emergency, oncology and diabetes?

Would the Minister advise whether comparable data of this nature for other hospital departments can be accessed and, if so, where?

**Answer**

The table below shows the number of attendances at over the last five year for the Emergency Department, oncology and diabetes services.

	2006	2007	2008	2009	2010
<b>Emergency</b>	40128	39828	39725	39072	37460 <sup>1</sup>
<b>Oncology</b>	1360	1621	1767	1987	2432 <sup>2</sup>
<b>Diabetes</b>	2820	2714	4496 <sup>3</sup>	3806	3516

1. The ED figures show a reduction in numbers in 2010. This relates to the opening of the dressing clinic which saw 1546 attendances in 2010. These attendances would previously have been recorded in ED activity. It is important to note that attendance levels at the ED Department are higher than the UK, per head of population.
2. The Oncology service has seen a steady increase in attendances for a number of reasons including: aging population; improvements in screening programmes and the delivery of new, more effective treatments. The increase in attendance figures will be driven by both an increase in the number of patients and an increase in the number of attendances per patient.
3. Activity in the diabetes service grew substantially (50%) between 2003 and 2008. The growth was driven predominantly by changes in activity in nursing, dietetics and retinal screening. Dietetics & Retinal screening both received extra resources during this period.

Data relating to activity in other departments of the Jersey General Hospital is available on request.

**4.19 THE DEPUTY OF ST. MARY OF THE CHAIRMAN OF PRIVILEGES AND PROCEDURES COMMITTEE REGARDING FACILITIES FOR STATES MEMBERS:**

**Question**

Can the Chairman outline for members the progress being made in respect of facilities for States members following the work undertaken by the Privileges and Procedures Committee in canvassing members' requirements?

**Answer**

In July 2009 a questionnaire was circulated to all States Members concerning the facilities available for their use. Six Senators, 22 Deputies and 9 Connétables responded and the Committee continues to work to address the issues raised.

Members were particularly keen to have more computers in the States Building, preferably in closer proximity to the States Chamber. The members' coffee room on the Hill Street side has therefore been equipped to accommodate 7 computers and 2 printers. A new version of Outlook has been rolled out to all users which provides 3 times more inbox storage and Java and Skype have been installed on the stand alone computers in the Communications Room. Webcams will feature on the next round of laptops to be issued to members.

Formal identification cards for States members have been introduced and are available on request. A number of members wanted more storage space so additional lockers have been installed. Radios have been placed in areas of the States Building that are not served by speakers so that members can listen to the debate from outside the States Chamber. Some members wanted to have daily newspapers and magazines available, however, as very few members use the facilities in the States Building on a daily basis, this was not thought to be feasible. As an alternative, the Economist magazine was placed in the common room for a trial period, although this was not widely utilised and has since been discontinued.

Preliminary consideration was given to the possible use of the old library building in Library Place as office accommodation for members, but the premises was considered unsuitable following a site visit by the Committee. Some of the respondents suggested that members should have dedicated research assistants or, alternatively, access to a research budget; however, in the current financial climate, it was felt that this expenditure could not be justified.

Twelve respondents asked the Committee to look into providing some form of paper-based or electronic library for States members. Concerns were raised regarding the cost of such a provision, along with the likelihood that the books would go out of date and be misplaced if the library was unstaffed. Also, the majority of texts are already available from the Information Centre at Morier House and Jersey Library in Halkett Place, and national newspapers and other publications are available free of charge online. At present, the possible introduction of an electronic library is being investigated by the Committee representative tasked with this research.

**4.20 THE DEPUTY OF ST. MARY OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING HEALTH SCREENING FOR RESIDENTS IN THE VICINITY OF THE ENERGY FROM WASTE PLANT:**

**Question**

Can the Minister advise members whether she or her Department have been consulted over the decision of Transport and Technical Services not to conduct any baseline or in-operation screening of residents living near, or workers at, the new Energy from Waste Plant?

**Answer**

My officers were involved in the evaluation of the Environmental Impact Assessment (EIA), submitted by the developer, as part of the planning application process for the Energy from Waste plant (EFW). In addition, they commissioned an independent Health Impact Assessment (HIA). The HIA was undertaken by leading experts at the University of Liverpool. It included a detailed literature review of waste incineration world-wide, numerous public meetings and public telephone surveys on health matters.

Both the EIA and HIA considered the health impact associated with the construction, commissioning and operational phases of the EFW. Based on them my department has concluded that population health surveillance and screening is not necessary

The EIA and HIA processes looked at the existing baseline parameters for ambient (outdoor) air quality and made a considered and robust assessment of the likely impact of the EFW on human health and the environment. This included the stack, fugitive and road transport emissions. The assessments, which were validated with monitoring data, showed that none of the health standards set by the EU are being, or are likely to be breached.

It is important to note that the EFW must operate in accordance with a Waste Management Licence and conform to the EU Waste Incineration Directive which places extensive and significant controls on waste incineration and associated operations.

Whilst my department is entirely satisfied that health surveillance or screening is not required we will, as part of our regulatory obligations, continue to monitor the situation closely.

Health surveillance for employees at the EFW is a matter for the Health and Safety Inspectorate who regulate issues relating to occupational health.

#### **4.21 THE DEPUTY OF ST. MARY OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING FUNDING FOR REPAIRS AT GOREY PIER:**

##### **Question**

Following the Minister's response to a written question on 6th December 2010 in which he stated that the costs of the repair work to Gorey Pier would not be met from central funding due to the budget cuts in coming years, would the Minister inform members exactly where the funding for this project will come from?

##### **Answer**

In December 2010, the Gorey remediation project was removed from the central States of Jersey capital programme. The work will therefore now have to be paid for from the Jersey Harbours' trading fund.

## **5. Oral Questions**

### **The Bailiff:**

So, then we come to Oral Questions on Notice and first of all Deputy Trevor Pitman will ask a question of the Minister for Economic Development.

#### **5.1 Deputy T.M. Pitman of the Minister for Economic Development regarding the rates paid to the Harbours and Airport Shadow Board:**

I thank the Greffier's office for making my question suitable for broadcasting. With many public sector workers facing redundancy due to the savings target of £65 million, how does the Minister justify his statement that £125,000 per annum for the chairman and 6 members of the Harbours and Airport shadow board is a competitive rate? Does he not concede that in reality payments between £450 and £650 per day are both excessive and unjustifiable?

**Senator A.J.H. Maclean (Minister for Economic Development):**

I do not agree with the Deputy that the cost of the shadow board is either excessive or unjustifiable. Jersey Harbours and Jersey Airport are the Island's strategic transport assets, which are operated as commercial enterprises for the benefit of Jersey residents and the Island economy. Given their importance to the Island and the significant strategic challenges that lie ahead it is beyond doubt that both organisations must have access to commercial and technical expertise of the highest calibre and that is what the shadow board offers. The payments to members of the shadow board are below private sector market rates and are comparable with similar bodies and reflect the level required to attract such expertise. The Deputy concentrates on cost and ignores a vital element of the equation, and that is value. I am confident the shadow board appointment will result in savings and efficiencies that far exceed the cost of their employment.

**5.1.1 Deputy T.M. Pitman:**

Supplementary, Sir. It is often said that the Council of Ministers know the cost of everything but the value of nothing; 40 days a year to be paid twice what some hardworking people on minimum wage will be paid in a year. Could the Minister tell the Assembly and the listening public who exactly evaluated this role and how they reached this conclusion?

**Senator A.J.H. Maclean:**

The department assessed and evaluated the need for the appointment of a shadow board, which I fully endorse, and followed therein an Appointments Commission process, which confirmed the process was absolutely appropriate and those that applied for it - and we had a large number of applicants - were also highly suitable for the role that they were appointed to undertake and that the pay was also commensurate with similar bodies.

**5.1.2 Deputy T.M. Pitman:**

With due respect, that was not really an answer. What assessment was done to reach that someone should be paid £650 a day to sit in a room for a day 40 times a year? Please could the Minister be a bit more specific.

**Senator A.J.H. Maclean:**

There is an assessment made of other similar bodies that exist both within the Island and also in the private sector in the U.K. and, as I have already stated in my answer, the pay rates associated to members of the board are below that which are available in the private sector. I consider what we have here is exceptional value and I think the Deputy would be advised to consider the value aspect of this equation, not purely the cost. We will deliver great value by the appointment of this board in the future operation of both the airport and the harbour.

**5.1.3 Deputy A.E. Jeune:**

I appreciate the answer that the Minister has given inasmuch as he has outlined the skills of the shadow board, but I do believe that Deputy Pitman does have a point. Why do we need both directors in all areas plus a shadow board? Perhaps he can give me some assurance here.

[11:15]

**Senator A.J.H. Maclean:**

Yes, in fact the Deputy raises a very valid point. We are indeed looking at the structure of the harbours and airport, and it is a point that I have raised in this Assembly in the past. We are moving towards consolidating the management structure across both entities. It will, in our opinion, lead to efficiency savings and a more streamlined management structure overseen by a shadow board and that is a very strong model in terms of managing these 2 very important commercial entities.

#### **5.1.4 Deputy M.R. Higgins:**

The Minister said that Deputy Pitman did not address the value of the board and he mentioned, in particular, finding increased savings and efficiencies. Despite what he has just said about the merging of the 2 bodies - obviously savings in human resources and so on - he did not address the question of growth and we have to remember that the airport and the harbours are strategic assets, as he also said, and they have a major funding gap and no efficiencies and savings are going to deal with that funding gap. So, can he tell me first of all what they are going to do about growth and how he is going to manage the funding gap?

#### **Senator A.J.H. Maclean:**

The Deputy is right about the funding gap. I have made no secret of the fact that both the ports and, in particular, the airport face significant challenges as we move forward. A great deal of work has been done on financial modelling of both ports. The airport, for example, has an identified funding gap of £100 million, or just over £100 million, between now and 2023. A lot of work has been done in order to mitigate those particular costs by working with redefining, for example, the capital programme and, as such, that has been reduced down to around about £65 million. It was lower but of course the below ground work funding was withdrawn from the airport. So, the airport has to find its own way of funding that, quite simply by growing passenger numbers or increasing revenues through various means and reducing costs. Those are the 2 options available and the airport is working towards achieving those particular objectives.

#### **5.1.5 Deputy M.R. Higgins:**

Supplementary, Sir. In terms of growth, and you say that the airport is working towards that, how can the harbours and the airport themselves generate the growth when really it is other parts of your department, let us say ...

#### **The Bailiff:**

The Minister's Department. It is not too difficult; through the Chair please.

#### **Deputy M.R. Higgins:**

Yes, sorry, I keep forgetting to use third person. So, in other words, can the Minister tell us who else is going to assist the airport to fill this gap because they are not going to be able to do it themselves?

#### **Senator A.J.H. Maclean:**

The Deputy is right in the respect that Economic Development is a broad portfolio and, indeed, elements of the department, including tourism, the marketing - the significant amount of money we put into marketing the Island - helps drive passengers through the airport. He is right, that revenue is essential to the future sustainability of the airport; in fact we are targeting a growth rate of our forward projections and what I believe is possibly, on the longer term, a modest growth rate of 1 per cent, but that is only part of the equation. Other elements of revenue generation at the airport have to be considered and that is why a land management scheme is being looked at at the moment, looking at potential development of private aviation, hangarage and so on. Other revenue sources, we have seen the successful development of the retail area at the airport, which is now paying dividends there and helping to offset the costs of running the airport. There is a great deal of work

to do and it is for that reason that the oversight of a shadow board is a step in the right direction and I wholly endorse that particular appointment.

#### **5.1.6 The Deputy of St. Mary:**

I want to return to the question of the assessment of these rates of pay, which is really what the question is about. Can the Minister clarify the different rates, or how things have been evaluated with respect to the difference between the chairman and other members of the board because obviously the chairman has a greater responsibility? Can he also clarify the advice and research support that will be available to the members of this board?

#### **Senator A.J.H. Maclean:**

Sorry, could the Deputy repeat the second part of the question.

#### **The Deputy of St. Mary:**

Can you clarify the administrative and research support that will be available to members of the board in their 40 meetings.

#### **Senator A.J.H. Maclean:**

The first part of the question with regard to the appointment of the particular members of the board and the different pay structures, it quite simply is down to an assessment of similar bodies, as I pointed out, and the Deputy is right, a chairman would typically, with the responsibility that a chairman has, be paid more than members of the board and that is exactly the case in this instance. As far as available information to board members, yes, they will have availability of data and research and other information required in order to carry out their duties and to be able to advise and I should stress again that in fact the role of this board is in an advisory capacity, not supervisory, but they will have all the necessary tools available in order to be able to carry out that particular function.

#### **5.1.7 The Deputy of St. John:**

Given when I joined this Chamber some 16 or 17 years ago there were 5 senior members of staff within Harbours, will the Minister with the responsibility explain how any new board are going to be able to reduce the umpteen numbers of senior executives within that department and what kind of funding are we expected to save given that the Chief Executive/Harbour Master I presume will not be dismissed but be moved to one side, and therefore he will still be on the same wages because I am sure he will not take a drop in wages? Will he please explain that when this comes to the board?

#### **Senator A.J.H. Maclean:**

First of all, the Deputy raises the point about just the harbour, in fact the board covers the harbours and the airport and it is very clear that the aim of the board is not from a supervisory basis but an advisory basis, so they themselves are not directly making any reductions. What they will be doing is advising both the Ministers or the Ministers in the department of future policy and strategy with regard to the operation of the ports. Now, as far as personnel is concerned, we are looking closely at the structure of both the ports and it is my expectation that this will result in a streamlining. For example, the Airport Director, as the Deputy will be aware, has resigned last year. That post will be replaced but in a different function; it will not be an Airport Director, the intention is to replace with a Chief Operating Officer, which is a lower grade position. So, the restructuring of the board and the removal of duplication of functions will reduce costs over the period of time and deliver far better value in my view.

#### **5.1.8 The Deputy of St. John:**

Supplementary, Sir. Given that the Minister has just explained that this board will be doing his job, does that mean that the Minister is not capable of running the harbours and airport himself?

**Senator A.J.H. Maclean:**

That question barely warrants an answer. The shadow board is an advisory group with specific expertise, maritime, aviation and business and the Deputy may be turning his nose up at that, but nevertheless there is significant expertise in the board. I believe the board delivers value, they are an advisory capacity and I think will add significantly to the future commercial operations of the harbour, and I welcome the appointment.

**5.1.9 Deputy P.V.F. Le Claire:**

Can the Minister confirm that the Appointments Commission set the salaries of the shadow board? Also that reports commissioned by the shadow board will come out of the Minister's budget so that it will not appear that they are creating expense?

**Senator A.J.H. Maclean:**

Any reports that may be driven as a result of proposals by the shadow board will be funded from the budgets of the respective operations, whether it be the harbours or the airport. The shadow board themselves will not be driving cost outside of the cost associated with the employment and the amount of time that they will spend fulfilling that role. With regard to the first part of the question the Appointments Commission were fully involved in the process with regard to the appointment of the members of the shadow board and they are satisfied, as I understand it, with the process that was followed in that regard.

**Deputy P.V.F. Le Claire:**

That was not my question. Did they set the remuneration, or did the Minister?

**Senator A.J.H. Maclean:**

The Appointments Commission do not set the remuneration, although they are aware clearly of the amounts being proposed. As I have said in a previous answer to a question, the pay structure for the board was as a direct result of comparables within the Island and indeed externally.

**Deputy P.V.F. Le Claire:**

The question still has not been answered.

**The Bailiff:**

Final question.

**Deputy P.V.F. Le Claire:**

He has not answered the question.

**The Bailiff:**

This has gone on now for 15 minutes on this question. Deputy Pitman.

**5.1.10 Deputy T.M. Pitman**

If only we were being paid £650 a day. Over the past year or so the Council of Ministers has consistently told us that some public sector wages are out of kilter and necessitate a pay freeze. Given this view, what message does the Minister assess that these high payments - which are twice what some people would earn in a year - will do for industrial relations over the next few months?

**Senator A.J.H. Maclean:**

There is no connection between the appointment and the pay scales of the shadow board and what the Deputy is seeking to attach as a relevant argument. I accept that there are redundancies occurring both in the public sector potentially and also in the private sector, and for all those people affected by redundancy it is obviously a very distressing and difficult time; one of the reasons we put stimulus funding into skills and training is in order to get people back into work as quickly as



we can and ensure they have the necessary skills to so do. That is the area that I think we need to concentrate on. We also need to concentrate on the fact that the public sector and the taxpayer are funding the airport and the harbours and they expect value for money. All Islanders expect an efficient operation and value for money and that is what we are aiming to achieve.

## **5.2 The Deputy of St. John of the Minister for Education Sport and Culture regarding charges for early years education:**

Since the introduction of the 20 hours a week free nursery education for children, can the Minister advise whether up to 30 hours per week had been given free for children, and if so, how this has been funded? How many children have received longer free care and what is the total annual cost for children receiving 20 hours and 30 hours and will charges for early years' education be reviewed?

### **Deputy J.G. Reed of St. Ouen (The Minister for Education, Sport and Culture):**

Prior to September 2009 only half of all eligible children in Jersey were lucky enough to access up to 30 hours early years' education delivered in school nurseries attached to our States primary schools. The remaining children were accommodated in the private sector and the parents were left to pay the full cost. To address this inequity the States approved an amendment to the 2009 Business Plan to extend the opportunity for all children to access 20 hours free education per week during term time in the year before entering statutory education. Additional funding was allocated to the department, and from September 2009 the States began funding 20 free hours in private nurseries. There are presently 529 children in States school nursery classes out of a cohort of about 1,000. Annual staff costs total £1.95 million. The budget for the nursery education fund set up to finance the private sector provision was £1.45 million in 2010. Since the introduction of the new and universal provision the early years' partnership has been set up and their work has focused on improving standards across the service. This has been a great success. A review has been undertaken and expert advice sought over the suitability of the provision of early years' education. Furthermore, after listening to concerns raised by parents, it has been acknowledged that the amount of free hours available in States nurseries is more generous than that in the private sector and this will be addressed by the introduction of a charge for the additional hours.

### **5.2.1 The Deputy of St. John:**

As it has been assessed and agreed that there is additional hours been given to early years' education, my question did ask how much it has cost the Island in the additional hours given to these families; could I have the answer please?

### **The Deputy of St. Ouen:**

The cost relating to the States nursery provision for 2010 was £1.95 million and the budget for the nursery education fund - that is a separate fund to provide for provision in the private sector - amounted to £1.5 million in 2010.

### **5.2.2 The Deputy of St. John:**

I asked for a breakdown of those who received the additional 10 hours per week and that has not been given. Could he give that as a breakdown of those figures please?

### **The Deputy of St. Ouen:**

I presume the Deputy did not hear me. There are presently 529 children in States school nursery classes, out of a cohort of about 1,000. Thank you.

### **5.2.3 Deputy P.V.F. Le Claire:**

In his answer, the Minister said that the States provision was £600,000 more expensive than the private sector's provision. I know it is difficult to compare like-for-like; what is the reason for that cost, and does it include pensions?

[11:30]

**The Deputy of St. Ouen:**

The Deputy is quite right to raise the question. The cost that I announced of £1.95 million amounts to staff costs only. It does not account for premises and capital expenditure, heating, lighting and other matters that would be included in the overall costs of each separate primary school. Therefore there is an additional cost over and above the £1.95 million of what I would call direct staff costs.

**5.2.4 Deputy P.V.F. Le Claire:**

I do not know if it is supplementary; it is the same one. Does this include pensions, through the Chair? Does this £600,000 include the pension element?

**The Deputy of St. Ouen:**

Yes, Sir.

**The Bailiff:**

Final question, Deputy of St. John?

**5.2.5 The Deputy of St. John:**

Well, I do not think we are going to get an answer. If I read the last line and a bit of the question. I asked the annual cost for children receiving 20 hours and 30 hours and will charges for early years be reviewed? He told us it was to be reviewed. Have they been charged for that additional 10 hours? That is what I need to know.

**The Deputy of St. Ouen:**

It would be entirely wrong to introduce charges halfway through an academic year. It is our plan to introduce the charges and provide the fairness of choice to a parent from September 2011.

**5.2.6 The Deputy of St. John:**

Sir, supplementary. How can it be wrong when the law was specific that we would give 20 hours and from there on anything extra would have to be charged? Why can it not be backdated now? It is nothing to do with fairness. Fairness to the taxpayer; that is what I am looking for, the people who are supplying the money, they need this justified, not change the goalpost because the Minister has some other ideas. Will the Minister please answer the question? Why does he consider it fair?

**The Deputy of St. Ouen:**

It is not a case of changing the goalpost, it is allowing parents proper and sufficient time to adjust to the new changes.

**5.3 The Deputy of St. Mary of the Minister for Transport and Technical Services regarding the criteria for the purchase of new buses:**

What criteria, if any, does the Minister use when assessing which new buses to buy for our public transport network, and can he update Members on progress with the purchase of these new vehicles?

**Deputy K.C. Lewis (Assistant Minister for Transport and Technical Services - rapporteur):**

In the first instance I need to clarify that it is not Transport and Technical Services who purchase vehicles but the bus operator Connex. However, Transport and Technical Services have been

working closely with Connex over the last few months to help with the specification of 5 new Enviro 200 buses which Connex have procured to come into service within the next few weeks ready for the summer season. Connex have worked hard with the designers to maximise the benefits of the increase in cabin space these buses provide in order to improve the comfort of the passenger, and I look forward to seeing them in service soon.

**The Deputy of St. Mary:**

Supplementary, Sir, the Minister accepts that he ...

**The Bailiff:**

I am sorry, Deputy, we are not quorate, so usher, can you summon Members back please.

**The Deputy of St. John:**

Can we have the Constables back in, Sir?

**The Bailiff:**

Sometimes it is the Constables, sometimes it is the Senators and sometimes it is the Deputies.

**The Deputy of St. John:**

It is particularly early this morning.

**The Bailiff:**

Very well, we are now quorate again. Deputy of St. Mary, you were going to ask a supplementary question.

**5.3.1 The Deputy of St. Mary:**

Thank you, Sir, if I can remember it. Yes, I can. The Minister accepted that T.T.S. (Transport and Technical Services) is responsible for, as he said, working closely with Connex on the specification of new buses, so he does accept responsibility for this aspect. He mentioned the comfort of passengers, and I welcome that, and that is indeed important. Could he enlarge on the provision within these new buses for buggies, for enough space for people's shopping, for wheelchairs and for bikes?

**Deputy K.C. Lewis:**

The current bus size is 2.365 metres wide and 8.9 metres long. It is a 29-seater, with 14 standing. The new buses will be 2.44 metres wide and 10.77 metres long, which is a 35-seater with a possibility of 22 standing which also includes one space for a wheelchair or other.

**5.3.2 Deputy J.A. Hilton of St. Helier:**

The Deputy of St. Mary touched on the question I was going to ask, but we did not get a comprehensive answer, so I will ask the question also. I just wondered whether you had discussed with Connex the possibility of provision being made for bicycles to be carried on buses. I am sure there are plenty of people who live in the outlying Parishes who would like to cycle more but the prospect of cycling up Beaumont Hill or Queens Road would probably prove a little bit too difficult, so I would be very interested to know what thought you have given to that.

**Deputy K.C. Lewis:**

I thank the Deputy for that question and the department has been looking at that very problem. We have had a demonstration by Connex of a suitable bike rack which fits to the rear of certain buses. There are obviously certain safety precautions, rear view cameras, *et cetera*, but it is something the department and Connex are both working on and hopefully we will be seeing something in the not too distant future.

**5.3.3 The Deputy of St. Mary:**

I am very pleased with the answer about cycles because we do need to have as many competitive advantages in the tourism market as we can have. I would say that the important matter is provision for our visitors as well as for locals. Can the Minister confirm, firstly, will there be a round-the-Island route in the summer schedule, and secondly, does he not agree that it would be a fantastic idea, a good idea, if that route was able to carry bikes? Because I can see the marketing advantages for the Tourism Department if that was to be the case.

**The Bailiff:**

I am not clear what that has to do with the original question, but anyway.

**The Deputy of St. Mary:**

To do with the specification of the buses.

**Deputy K.C. Lewis:**

I would be delighted to see that, as I am, shall we say, a born-again cyclist. I am trying to lose weight and I do cycle more now than I used to as a young child. I would like to see either a trailer fitted to the bus where bicycles could be put on, or I think the most realistic option would be a safety cycle rack where bikes could be fitted to the rear of buses and, as I say, Connex have demonstrated one of those models to us and it is something we are looking into. Whether it will be this summer, I am not too sure, but it is definitely in the pipeline.

**The Bailiff:**

We come next to the question which Deputy Le Claire is to ask. Do you still wish to ask the question, Deputy?

**5.4 Deputy P.V.F. Le Claire of the Minister for Treasury and Resources Minister regarding Zero/Ten:**

I think it is going to be a painful answer for me and a good opportunity for the Minister for Treasury and Resources, but I think it is only fair given my flippant remark earlier that I take a pounding on this one. Will the Minister for Treasury and Resources accept that his assurances to States Members over Zero/Ten have now been disproved and the Island's position on this matter is clearly unsound?

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

No, on the contrary. I think that Jersey has an exciting prosperous future and I look forward to confirming after the further processes in the E.U. that our zero rate, our 10 per cent rate and our 20 per cent utilities rate is here to stay. So I continue to believe our deemed distribution rules are technically compliant with the Code of Conduct and Members will recall that it was based on previous assurances by the United Kingdom and reported to this Assembly. The Code Group in the high level working party has, as the Chief Minister has explained, come to a different view in respect of deemed distribution, but of course they have not commented on tax rates. We have to accept that this is a political process, not a judicial one, and sometimes differences of opinion will be reached. So, I wholly endorse the statement of the Chief Minister made this morning and I look forward as a result of the actions to the Code Group taking Jersey's tax regime off the agenda for the reasons they have cited.

**5.4.1 Deputy P.V.F. Le Claire:**

The Minister for Treasury and Resources and I spoke briefly this morning and he did raise the issue that I do give him a hard time in here. I certainly would like to work more constructively with the Council of Ministers in general, but unfortunately I spend most of my time asking questions about self-evident facts and getting into trouble for it. Can I ask the Minister for Treasury and Resources, would he not accept that the zero rate of tax identified under the Code of Conduct represents a

significantly lower form of tax than most Member States and the wording in the Code of Conduct states quite clearly that a zero rate or a generally lower rate of tax in other Member States is defined as a harmful tax, and unless we move back to our 20 per cent tax we are going to be continually in a position of arguing whether or not we agree with them?

**Senator P.F.C. Ozouf:**

Sometimes the tougher questions are the best ones and the easiest ones to answer. The issue before the Code of Conduct Group has been the interaction between deemed distribution and attribution and the Zero/Ten regime. That is the issue which has been raised as the focus of attention and that is the issue which we have responded to. The Deputy asked about tax rates. I fully accept that there is a debate within Europe about tax rates, and some day there may well be an issue of tax harmonisation within Europe, but there are 2 points in relation to this. First of all, there is an international competitiveness of tax rates that would need to be taken apart, even if Europe decided to have minimum rates of tax, and as I said previously, Jersey competes in an international global marketplace where there are other jurisdictions in the Caribbean, in the United Arab Emirates, in Hong Kong, in Singapore, which compete and that is the marketplace in which we compete.

**Deputy P.V.F. Le Claire:**

Can I press further, Sir?

**The Bailiff:**

Can I come back to you as a final question, Deputy? The Constable of St. Lawrence.

**5.4.2 Connétable D.W. Mezbourian:**

The Minister just told us that he fully endorsed the words of the Chief Minister in his statement earlier. When he was speaking the Chief Minister had told us that the deferred deficit payment of £10 million could be addressed quite easily by the Minister for Treasury and Resources. Will he now explain what the Chief Minister meant by “resolving the issue quite easily”?

**Senator P.F.C. Ozouf:**

The Constable’s question is a very important and good one. The conclusion that we have reached at the Treasury, having looked at the impact of removing deemed distributors and attribution, is that there will not be a permanent recurring deficit as a result of these measures, but rather, effectively, a deferred income, and the explanation for that I am happy to develop in one-to-one questions with Members if they want an explanation of deemed distribution, attribution and how that works. But effectively dividends will need to be paid. We will no longer have the certainty of the consistency of the deemed distribution and attribution, but money will need to be withdrawn from companies in order for Islanders to enjoy the benefits of their companies and we will tax on the actual dividends paid. So, therefore there will be a £10 million cash flow, we think, in 2014 maximum effect and a total cash flow of £650 million. It is not an issue that the Treasury is worried about in terms of cash flow.

**5.4.3 Senator S.C. Ferguson:**

In terms of competition, mention was made of the Isle of Man taking the same approach and no comment was made about whether Guernsey will be modifying their approach. Will the 3 Islands be working properly together on this in order to present a united front to what does appear from the outside to be a certain amount of bullying from the E.U. and the U.K.?

**Senator P.F.C. Ozouf:**

I would say 2 things about that. First of all, I do think that there is certainly a political process within Europe, and if France and Germany or different Member States are having discussions about their respective competitive position then that is part of the normal political process within Europe and certainly we seek, as the Chief Minister has said in his statement, an appropriate way of

representing the Island's interests at a voluntary participation of the Code Group in the future. The process has not been perhaps ideal but certainly we will seek to improve that process in future. We are a good neighbour within Europe and will remain so. As far as the other Crown Dependencies are concerned, I am not going to stand in this Assembly and speak for the Isle of Man or Guernsey. I understand that an announcement is being made also this morning in the Isle of Man, and I will certainly engage with my counterpart in Guernsey in order to continue to work on the thing that we agree on, which is the Islands providing tax neutrality, providing competitive offerings for financial services.

#### **5.4.4 Senator S.C. Ferguson:**

Supplementary, Sir. Given the fact that France and Germany are now leaning upon the Irish Republic to increase their 12.5 per cent corporation tax rate, what measures, what consideration has the Minister for Treasury and Resources given to an extension of this approach trying to make people increase their corporate tax rates to be in line with the average in Europe?

[11:45]

#### **Senator P.F.C. Ozouf:**

There are 2 points about that. Of course there have been calls for as long as I have been interested in politics for a unified approach on corporation tax within Europe. Personally, I do not think that is going to happen within the foreseeable future. There are competitive issues between the nations of Europe and tax is a sovereign matter and tax is a sovereign matter for this Assembly. We make decisions in this Assembly on tax, long may that be the case in future, and we will continue to defend the Island's interests and make decisions in the best interests of Jersey.

#### **5.4.5 Deputy G.P. Southern:**

Can the Minister inform Members whether the Comptroller of Income Tax has the powers to prevent the cash flow problem becoming a capital gains problem, i.e. a company rolls-up the dividends in the company and then sells the company on. Does the Comptroller of Income Tax have powers to prevent that? Otherwise, it is not just a cash flow problem, it is a loss of tax problem.

#### **Senator P.F.C. Ozouf:**

I am very grateful that the Assembly has given the Comptroller of Income Tax more resources in order to deal with his team to ensure that there is appropriate resources in order to deal with abuses where he finds them, and I am confident that both the legislation that he has, and the additional resources that he has, will deal with any issues which he wants to deal with in terms of tax evasion within the Island or non-compliance of tax law, and of course the Treasury will keep under review any issues that emerge as a result of the removal of deemed distribution and attribution. We will deal with measures in subsequent budgets if we see that there is a need to deal with further anti-avoidance mechanisms of which he has the general anti-avoidance, which has been a platform of our avoidance mechanisms and works very well.

#### **5.4.6 Deputy G.P. Southern:**

If I may, is the Minister confident that the Comptroller of Income Tax does have those powers and that it can be used to prevent such activity in these companies?

#### **Senator P.F.C. Ozouf:**

Yes, and no doubt he will advise me, with the Head of Tax Policy, if any changes and further strengthening are required.

#### **5.4.7 Deputy M. Tadier:**

We have heard suggestions within the Chamber that seem to imply that an option for Jersey is simply to ignore the E.U. and to ignore the pressure coming from the U.K. Will the Minister explain whether he thinks this is a dangerous position, and if so what are the dangers of doing that?

**Senator P.F.C. Ozouf:**

I think engagement is always the right approach. I think that some of the problems within Europe come out of misunderstandings of what Jersey does and the high level of quality financial services that we provide. Certainly the opening of the office in Brussels is designed to raise awareness of what we do to make representations, explain what we do to a much greater extent than in the past, and that will deal with no doubt some of the concerns of the E.U. Member States on their misunderstanding. In terms of the Code of Conduct, we do not agree with the conclusion that the high level working party and the Code of Conduct has come to in relation to what deemed distribution, attribution is. We believe it is an anti-avoidance personal tax measure, but as a good neighbour we have looked at it and we can remove it. We can remove the problem and I think in demonstrating that willingness to listen we are demonstrating good neighbourliness and good relations with our partners in the E.U.

**5.4.8 Deputy M. Tadier:**

Supplementary if I may. I appreciate that being a good neighbour is important. When we are dealing with noisy neighbours certainly things can get disrupted. How far does that goodwill extend? If Europe and the U.K. come back and say that it is the zero rate which they have a problem with, to what extent will that neighbourly goodwill remain?

**Senator P.F.C. Ozouf:**

I am sure that there are some E.U. nations that would want to see the lower tax nations and territories within the E.U. not have those lower tax rates. I believe in tax competition. I believe that tax is a sovereign matter for democratically-elected parliaments across Europe, and indeed in this Island, and when there is an international standard on tax Jersey will adopt it, just as we have done with all international regulations. There is not one. I am not expecting one, but if one happens then this Assembly will deal with it.

**5.4.9 The Deputy of St. Mary:**

My concern is with the Minister's statement which he has made twice now, that he continues to believe that Jersey's regulation was technically ... I say "was" I think he thinks "is" technically compliant but Jersey was advised in 2005 that it was not or would not be technically compliant, and we are now being told finally that it is not technically compliant. My question is, can the Minister please admit that he made a mistake, or that the Ministers made a mistake in not listening to this advice. They are still making a mistake, and will he acknowledge that it will be good to listen to views different from his own?

**Senator P.F.C. Ozouf:**

I think we need to be clear of where the criticism comes from. There are critics of London as an International Finance Centre. There are critics of international finance. There are criticisms of capitalism and the functioning of global markets. Those people who criticise the free market, who criticise tax competition, do not like offshore centres such as Jersey. That must not be confused with the rules and the Code of Conduct and the criteria which they are applying. Zero/Ten has not been found not compliant as a whole; there is an issue in relation to attribution and deemed distribution. That is the issue, which has been documented in the Code of Conduct's conclusions, and that is the issue, while we disagree we have, as a good neighbour, decided to respond proactively, positively, to that concern.

**5.4.10 The Deputy of St. Mary:**

With respect, it was not criticism, it was advice and I just asked the Minister, does he not think he might be damaging Jersey by adopting this sticking-head-in-sand approach rather than admitting and saying: “Okay, we will get on now and do what is necessary”?

**Senator P.F.C. Ozouf:**

To take that last point, we have done exactly what is deemed necessary. We have analysed and carefully examined the concerns of the Code of Conduct Group, at the issues raised by the high level working party, and we have responded to them. So, that is I think demonstrating a listening and a good neighbour policy, and indeed I am confident that Jersey has a strong and positive future in financial services, being well-regulated, transparent, and complying with the findings of our neighbours in Europe.

**5.4.11 Deputy P.V.F. Le Claire:**

Sometimes I ask complex questions and I think rather than standing back up and asking for the answer I would ask the Minister to review the question on Hansard and see if he can give us the answers, after having reviewed it, if he would be so kind. In the statement this morning the Chief Minister says: “Members will be aware of the ongoing review process concerning 2010. It is an ongoing review process. In addition [he states later on] the review did not allow for meaningful dialogue with members of the Code Group or engagement with the high level working party.” I put it to the Minister that the reason that they are not listening to us is because the U.K., which might come as a surprise to some Members, is a full member of the European Union and it has committed, and these are important words, to ensure that these measures under the Code apply through the constitutional arrangements of Jersey, which Jersey has already accepted. Helpfully this morning the Chief Minister has circulated E.U. documents. Will the Minister please circulate for all Members the E.U. documents that set out the terms of the Code, where we will clearly see that they consider zero rate as harmful, and also tell us how many Member States in the E.U. have a zero rate of tax.

**Senator P.F.C. Ozouf:**

I am happy to circulate the Code of Conduct criteria and the issue in relation to rates. There is tax competition within Europe and the Deputy is wrong to repeatedly assert that it is Zero/Ten which is not Code compliant. The findings of the Code Group is that it is the interaction of deemed distribution and attribution with Zero/Ten that gave rise to potentially harmful effects. Removing the deemed distribution and attribution deals with all of the issues which have been documented in the document that we have seen in the Code of Conduct, and they respond to the written documentation that we have seen. That is all I can say on the matter.

**5.4.12 Deputy P.V.F. Le Claire:**

Could I have a supplementary? The answer came completely at variance to what I was suggesting. I am glad I mentioned the bit about Hansard. The information sets out clearly in the report that was given to us through Europe that this is an ongoing process and it is not a closed examination, these issues may widen and I am making the case, which is clearly stated within the Code of Conduct ...

**The Bailiff:**

I hope you are going to ask a question, Deputy, rather than make a case.

**Deputy P.V.F. Le Claire:**

The question will be, when it comes to answering my question, will he please ensure that the actual commitment that the U.K. Government has given in relation to Jersey is clearly outlined so that we can see that a zero rate is a harmful measure.

**Senator P.F.C. Ozouf:**



Zero is not harmful. Tax rates are not an issue that can legitimately be commented on by the Code of Conduct group. It is not tax rates and there is nothing in any of the conclusions of any of the documentation of this process that indicates that there is an issue in relation to the rate. It is the interaction of attribution and deemed distribution which is the problem, and we have made a pragmatic decision, a positive decision, to deal with it.

### **5.5 Senator S.C. Ferguson of the Assistant Minister for Health and Social Services regarding middle grade doctors' posts at the Hospital:**

I would ask the Minister how many middle grade doctors posts exist at the hospital, how many are vacant or filled by locums, how many adhere to the 48-hour European Working Time Directive?

#### **The Bailiff:**

Assistant Minister, I understand you are going to answer this one, is that right?

#### **Deputy E.J. Noel of St. Lawrence (Assistant Minister for Health and Social Services - rapporteur):**

There are currently 57 full-time middle grade posts in the General Hospital. Of these 7 are established posts which are currently vacant and 2 are new posts which have not yet been recruited to. Of these 9 vacant posts 5 have been offered and the department is currently awaiting confirmation of starting dates; 3 are vacant but the department have action plans in place to resolve those, and one is being currently covered by existing staff. I am advised that none of these posts are required to comply with the European Working Time Directive.

#### **5.5.1 Senator S.C. Ferguson:**

I wonder if the Assistant Minister would confirm again those doctors whose work patterns do not adhere to the European Working Time Directive, and would he also say how many hours are worked each week, and if he does not have the figures will he research this and return to the House with the details.

#### **Deputy E.J. Noel:**

I can add some clarity to those doctors that do work within the European Working Time Directive and those are the trainees that are employed by the Wessex Deanery; all other staff members are employed by the States Employment Board and do not have to comply with the European Working Time Directive but have to comply with Jersey company law. As to the average amount of hours that those individuals work, I will have to get that information and get it back to the Senator.

#### **5.5.2 The Deputy of St. John:**

How many current doctors are on restricted practice duties because of disciplinary procedures?

#### **Deputy E.J. Noel:**

I do not see how that relates to this particular question but there is a question later on in question time that deals with that matter.

#### **5.5.3 Deputy F.J. Hill of St. Martin:**

Could the Assistant Minister inform Members why there are so many vacancies, and what is the cause for this? This is the number of vacancies on par maybe with other national health services?

#### **Deputy E.J. Noel:**

There are many reasons why we have 9 such vacancies at the moment. One is there are recruitment issues. We are taking steps to try to reduce that number and, as I said, we have offers in place to 5 out of those 9, and we are in a competitive world and currently we have to up our game in the terms

and conditions that we offer our doctors, and that is something that we are taking active steps to resolve.

**5.5.4 Deputy G.P. Southern:**

Does the Assistant Minister not accept that current practice is discriminatory and that if he is referring to competition to attract middle grade doctors to our shores, then he should consider applying the European Union Directive in order to do so?

**Deputy E.J. Noel:**

No, we should be doing the opposite and for 2 good reasons. The E.W.T.D. (European Working Time Directive) has a significant impact on the training of middle grade doctors. Research is coming out from the British Medical Association that it looks like those doctors following the E.W.T.D. do not have enough time to learn on the job. If we did comply with the European Directive then we would need a significant additional number of doctors and therefore we would not have a shortage of 9, we would have a far greater shortage.

[12:00]

**5.5.5 Deputy G.P. Southern:**

Does the Assistant Minister not accept that the increased workload which will be imposed on middle grade doctors in Jersey is a factor in stopping doctors coming to Jersey?

**Deputy E.J. Noel:**

No, 2 of the main factors for Jersey not being as attractive maybe as we would like it to be are:(1) it is because the cost of living in Jersey is higher than many other regions in the U.K.; but (2) secondly, and more importantly, our hospital and the population is simply not big enough to provide those doctors with the appropriate experiences that they require, and medicine is becoming more and more specialised and doctors are seeking posts in other teaching hospitals, other than ours.

**5.5.6 Deputy A.E. Jeune:**

I do not think Jersey comes under the teaching hospital rules. However, my question to the Assistant Minister is I am trying to work out my sums from what he said at the beginning of his answer to the question. He said there were 9 posts, 5 were offered, 3 are still vacant and one is being covered by an existing member of staff. It is that one covered by the existing member of staff; does that mean that somebody is doing 2 jobs? Perhaps he could clarify.

**Deputy E.J. Noel:**

I have not got that information and I will get it for the Deputy.

**Deputy M. Tadier:**

I do not need to ask my question now.

**The Bailiff:**

Thank you. Do you wish a final question, Senator Ferguson?

**5.5.7 Senator S.C. Ferguson:**

Yes, Sir. We have 3 middle grades on restricted work. Where does this figure fit within this 57 middle grade, 5 vacancies, *et cetera*, but how are these 3 posts being covered?

**Deputy E.J. Noel:**

Again, I do not see that as relevant to the original question, but the posts that we currently have on restricted duties are being covered by locums.

### **5.5.8 Senator S.C. Ferguson:**

With respect, a supplementary. The Assistant Minister has not mentioned 3 locums. He has talked about 5 vacancies awaiting a starting date.

#### **The Bailiff:**

The question, Senator, does not relate to those who are on restricted duties, that is why. Now, let us turn to a question which is relevant. Deputy Southern, do you want to ask a question of the Minister for Treasury and Resources?

### **5.6 Deputy G.P. Southern of the Minister for Treasury and Resources regarding the total income tax paid in 2009 by the finance sector at 10 per cent and utilities at 20 per cent:**

Yes, I think I am still interested in the answer despite the events of this morning. Will the Minister state the total income tax paid in 2009 by the finance sector at 10 per cent and utilities at 20 per cent, and indicate the income anticipated in the accounts of the States for 2009 from income tax on deemed distributions from locally-owned non-finance companies and, if there was no income, could he explain why and state what equivalent figures have been budgeted for these items in 2010 and 2011?

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

Very few companies in the finance sector, if any, paid at the 10 per cent rate in 2009 as, of course, the 10 per cent rate on the finance industry came into force for the year of assessment 2009 for tax paid in 2010. I can advise that the tax charge for 2009 year of assessment and liable to be paid in 2010 by companies in the finance sector at the 10 per cent rate was £50.4 million, and the tax charge on companies other than the 10 per cent rate for the year assessment 2009 and liable to be paid in 2010 was £13.5 million. Tax currently held over on appeal amounts to £2.4 million, so the actual tax yield is likely to be in the region of £62 million. The tax charge on utilities at the 20 per cent rate was £5.4 million. It is not possible to give an exact figure for the tax yield from deemed distributions from locally-owned non-finance companies but the statistics from the Tax Office indicates a likely yield in the region of £630,000 from deemed distributions from assessments raised in 2010 for the 2009 year of assessment. For 2011 onwards, only total shareholder income is forecast due to the difficulty of predicting individual elements. So, it is not possible to provide a breakdown to a greater level of detail.

#### **5.6.1 Deputy G.P. Southern:**

Is the Minister content that these extremely low figures of tax return from the various sectors suggest that the missing tax is in fact greater than the £90-100 million that was estimated in considering Zero/Ten?

#### **Senator P.F.C. Ozouf:**

I do not understand how the question relates, but no.

### **5.7 Deputy M.R. Higgins of the Minister for Economic Development regarding increased lending for businesses:**

Following the agreement between the Chancellor of the Exchequer and the banks in the United Kingdom to increase lending to small businesses, what steps, if any, is the Minister taking to ensure that businesses in the Island will also benefit from increased lending at reasonable terms?

#### **Senator A.J.H. Maclean (The Minister for Economic Development):**

My department and I are committed to supporting all businesses in the Island and ensuring that local businesses, especially S.M.E.s (Small and Medium Enterprises) are able to access finance and

to get a fair deal. Officers from my department have recently attended meetings of the Jersey Bankers Association where lending to businesses was discussed. While lending limits and criteria have tightened following the global financial crisis, I am assured that local banks are keen to lend, and are lending at competitive rates on sound propositions.

**5.7.1 Deputy M.R. Higgins:**

Will the Minister explain how he can give assurances to the House that the banks are lending at reasonable rates, are providing funds, because he gathers no data and no other States department gathers data that will enable us to monitor what is going on?

**Senator A.J.H. Maclean:**

I have stated that I am assured that is the case, that lending is occurring in the Island, the banks are lending and at fair and competitive rates albeit with new criteria following the global financial crisis. I can say to the Deputy that we speak, as I pointed out to the Jersey Bankers Association, we also speak to independent lobby groups such as the Chamber of Commerce and from none of those am I getting any indications that there is a significant problem in this area, but we do continue to monitor it by speaking to businesses, which is the most appropriate place to get such information.

**5.7.2 Deputy M.R. Higgins:**

Can I just follow up with another one? I think the Minister is obviously speaking to different businessmen than I am speaking to because many of them are having trouble getting funds, and I do not know how we can just accept the assurances of the Minister and the bankers that they are providing funds without any objective and quantitative method of determining that that is the case.

**The Bailiff:**

So, what is the question, Deputy?

**Deputy M.R. Higgins:**

Will the Minister bring in data collections so that he can provide the States with the data so we can see that they are providing more funds?

**Senator A.J.H. Maclean:**

I am always happy to look at ways in which we can collate additional data to help inform our decision-making and assistance that we can give to the business sector. So, we can certainly look at it but I suspect that the type of information the Deputy is referring to is not that straightforward in terms of collections. However, there are ways in which we can assess if there is a problem emerging in the lending area to businesses. We will continue to assess and monitor businesses, and all I would add is that I would hope if the Deputy is hearing stories that businesses are having trouble accessing finance that he would let me and my department know about it and we will certainly do our best to assist, but I certainly do not think that we would be looking to encourage banks to do anything other than follow commercially prudent lending practices, which may be the root of this particular question.

**5.7.3 Senator S.C. Ferguson:**

Would the Minister not agree with me that it is the role of Government to reduce red tape and regulation and allow the market to decide whether a business case justifies lending from the bank?

**Senator A.J.H. Maclean:**

I am delighted to agree with the Senator. She is absolutely right and indeed it is certainly an aim of mine to do all that I can to reduce red tape and bureaucracy in all areas relating to the business community in particular and the points she has made are extremely valuable and I thank her for them.

**5.7.4 Deputy P.V.F. Le Claire:**

Notwithstanding the previous question, which clashes with the loans that are given to rich farmers in the country, can I ask what information... and I am sufficiently confident and he has my confidence, the Minister knows this, I am sufficiently confident of his independence to ask this question. What information can he obtain for us in relation to the availability of mortgages from lending organisations in Jersey, so Members can be apprised of the situation? I understand at the moment you need 25 per cent down payment on a £500,000 house. Most people do not have that kind of money. Can he provide us with some information or will his department, if he feels conflicted?

**The Bailiff:**

At the moment, Deputy, the question is relating to lending to small businesses, but ...

**Senator A.J.H. Maclean:**

All I can say to the Deputy is that in terms of the mortgage market, which he is referring to, competition is clearly important. Since the global financial crisis, as I mentioned already in relation to lending to businesses, criteria has been tightened significantly as banks have had liquidity requirements and other issues placed upon them making it more difficult, less funds being made available. All I can say to the Deputy is that I understand, for example, that Jersey Home Loans are returning to the Jersey market, so increased competition is a good thing. I would hope that would help provide additional funding and, in due course, when lenders have greater confidence and greater available funds to lend I suspect the deposits that are currently required may well be reduced and make it easier for, in particular, first-time buyers where the greatest pressures exist and I understand that.

**5.7.5 Deputy P.V.F. Le Claire:**

Can I clarify, the share transfer market is a business market and it is predominantly that where most people are looking these days to be able to get their foot on the ladder. I think it would be helpful for people to understand where to go for these huge mortgages that are required.

**The Bailiff:**

Well then, final question from Deputy Higgins. Deputy Higgins, do you wish to ask a final question?

**Deputy M.R. Higgins:**

No, Sir, I am fine thank you.

**5.8 The Deputy of St. Martin of the Chief Minister regarding the Terms of Reference of the Napier report:**

Was part (d) removed from the terms of reference on 9th April 2010 following a discussion between the Deputy Chief Executive and Mr. Napier, and, if so, was that fact made known to the Chief Minister when he signed the Ministerial Decision on 13th April 2010 approving the appointment of Mr. Napier and for his C.V. (curriculum vitae) and the terms of reference containing the original part (d) to be included in R.39/2010?

**Senator T.A. Le Sueur (The Chief Minister):**

The simple answer to this question is no. I have already supplied the Deputy of St. Martin with a full explanation on how the paragraph was omitted from the published terms of reference in my written answer on 18th January 2011 and again in my written answer today. I believe it is time to draw this matter to a close. Mr. Napier had access to all the information he requested, all the people he wished to interview and made reference to the affidavit in his final report, which demonstrates that he had it and made use of it. Mr. Napier has also confirmed he did not see that

the particular paragraph to which the Deputy of St. Martin continually refers had much relevance following Mr. Power's agreement to participate fully. There is simply no further information I can add and my department is now repeating answers to the same question. If the Deputy of St. Martin has any new concerns that have not been addressed I would be happy to meet him, but I do not feel that we are making the best use of question time simply by repeating answers.

#### **5.8.1 The Deputy of St. Martin:**

I am not surprised, given the answers I have received, that the Chief Minister wants to push this under the carpet. Can I just ask the Chief Minister, does he not think he should have been made aware that the documents he was signing were not correct, because in actual fact part (d) had been removed on 9th April? Therefore, the officer who gave him the document to sign either failed to inform the Minister or he did inform the Minister. I just find it so hard for the Minister to continually say that he was unaware that such an important part of a document, the terms of reference agreed by this House, was removed and he knew nothing about it.

#### **Senator T.A. Le Sueur:**

The Deputy is misrepresenting the facts and also saying that I hid this under the carpet. It has been fully documented in written and oral questions. The fact is that the Ministerial Decision I signed at the time did include the relevant paragraph. It was subsequently omitted when it was sent to the Greffe for printing, and I have tried to explain that in my written answer in January and again today.

#### **5.8.2 The Deputy of St. Martin:**

If the Chief Minister is accepting that it was an administrative error that part (d) was not included in R.39, will the Chief Minister explain why part (d) was omitted in the actual Napier report which was subsequently produced in October 2010?

#### **Senator T.A. Le Sueur:**

Mr. Napier's report was compiled by Mr. Napier and I did not interfere in any way what he put in. I did not interfere in any way with what Mr. Napier wrote.

[12:15]

The terms of reference that he understood and that he worked to were fully open. He had all the information he required, as I have said in numerous answers. There was no question of withholding any information from Mr. Napier or withholding access to him from any person that he wished to see in those discussions.

#### **5.8.3 Deputy M. Tadier:**

We are learning now that it is a reprographic error. Will the Chief Minister explain why if it was simply a typographical error, an omission when it went to printing, why the normal procedure for a corrigendum which would be sent round was not done, because quite obviously the terms of reference are agreed by the House and if one of them has been missed out accidentally it should be the case that as soon as possible that correction is made, and why was that not the case on this occasion?

#### **Senator T.A. Le Sueur:**

I quite agree. Unfortunately no one spotted the omission until months after the event, by which time it was irrelevant anyway because, as I said, Mr. Napier still had all the information that he required.

#### **5.8.4 Deputy M. Tadier:**

Just a supplementary. Is it any surprise, and obviously I am not buying into this necessarily, that the conspiracy theorists out there who see it as quite convenient that part (d) should be dropped for

political reasons are learning that it is just a typo which has not been corrected and then quite conveniently it influences, perhaps you could argue, the outcome of that report?

**Senator T.A. Le Sueur:**

I can understand the Deputy's view that in his view there might be a conspiracy. There was no conspiracy. It did not, in any way, influence the report of Mr. Napier because he has confirmed that he had access to all the information and all the witnesses that he required.

#### **5.8.5 The Deputy of St. Mary:**

My question is quite simple. Was Mr. Napier working to a terms of reference which included paragraph (d), notwithstanding what States Members received through the Greffe, but was Mr. Napier working to a terms of reference including part (d)?

**Senator T.A. Le Sueur:**

He was effectively, whether he was in practice or not is irrelevant, because he said he had access to all the information he required and he was quite clear at the time of the discussions what he was expected to do.

#### **5.8.6 The Deputy of St. Mary:**

With respect to the Chief Minister, that really is very ambiguous and ambivalent. This highly respected Q.C. (Queen's Counsel) is working to a document with his terms of reference and then he proceeds to spend a lot of time and a lot of effort in carrying out his inquiry. Was he working from (a), (b), (c) and (d) or was he working from (a), (b) and (c)? It is quite a clear question, and I expect a clear answer.

**Senator T.A. Le Sueur:**

I am sorry if the Deputy finds it ambiguous. The fact is that I cannot enter the mind of Mr. Napier and I cannot judge on what basis he was working. I believe he was working on the basis that he had full access to all the information he required.

#### **5.8.7 Deputy M.R. Higgins:**

Will the Chief Minister not accept that he is particularly accident prone with regard to ensuring that the Assembly's wishes are carried out? Not only have we had this omission, we have also had previously the States decision that the incinerator funds should be hedged against the euro.

**Senator T.A. Le Sueur:**

I do not believe the 2 matters have anything much in common whatsoever and certainly any accidental activity between transmitting a document, which I had signed and which was subsequently transmitted, is an accident which is not necessarily attributed to any one particular person.

#### **5.8.8 The Deputy of St. Martin:**

I do not think it was an accident because it is quite clear part (d) was removed and, if it was so, will the Chief Minister accept that it was removed and the evidence is in the fact that it was not included in the terms of reference as produced by Mr. Napier in October 2010?

**Senator T.A. Le Sueur:**

No, I refute the fact that it was removed. The Ministerial Decision which I signed, which the Deputy will have already seen, which is publicly available, makes it quite clear the decision that I made and which I signed.

### **5.9 The Deputy of St. Martin of the Minister for Home Affairs regarding the cost of the Metropolitan Police Review of the Haut de la Garenne investigation and of redacting the Wiltshire Report:**

Wonder if I will get any answers this time. Will the Minister inform Members of the cost of the Metropolitan Police Review of the Haut de la Garenne investigation, and of redacting the Wiltshire Report, and advise when the rest of that report will be published in line with assurances given in July 2010 and in R.8/2011, and whether the statements made to the Wiltshire Police by the former Chief Officer of the States of Jersey Police will be published?

#### **Senator B.I. Le Marquand (The Minister for Home Affairs):**

The answer to the first question is £60,153.38. The answer to the second question, the cost of redacting the Wiltshire Report, I cannot give an accurate figure for this because it has been done in-house by existing States staff members, but the best estimate of the total cost which I can give is approximately £6,600 in terms of staff wages, pensions, *et cetera*. The answer to the third question is that I am disappointed that we still have not got this final form of the redacted version of the full document. I had meetings with the officer dealing with this not last week but the week before to deal with one particular specific difficulty. He now tells me that he is hoping that it will be ready for the week of the States sitting of 1st March, and I am hoping that as well. The answer to the fourth question is that statements made by the former Chief Officer of the States of Jersey Police to the Wiltshire Police will only be published if I have the express consent and agreement of the former Chief Officer of Police, which I do not have, but even then having read these documents I am aware that there would have to be a redaction process to remove the names of non-public facing individuals.

#### **The Deputy of St. Mary:**

Can I just a quick question of clarification?

#### **The Bailiff:**

No, sorry, it is the Deputy of St. Martin to ask this question. **[Interruption]**

#### **Senator B.I. Le Marquand:**

I did not catch that question.

#### **The Bailiff:**

What are you asking, Deputy of St. Mary?

#### **5.9.1 The Deputy of St. Mary:**

I thought I heard £62,000 for the cost of the Wiltshire Report. I cannot believe that is right.

#### **Senator B.I. Le Marquand:**

I think the Deputy did not hear the question I was answering. The question I am answering is the cost of redacting the Wiltshire Report, and I am saying as best we can estimate that in the whole process will be of the order of £6,600.

#### **5.9.2 The Deputy of St. Martin:**

I note that when the initial redaction was carried out it was carried out in July 2010. Can the Minister inform Members how long it took to redact the initial report to have it ready by July last year and why it has now taken some 8 or 9 months to further redact the second copy?

#### **Senator B.I. Le Marquand:**

I am afraid I cannot remember precisely how long it took to redact the initial matters because I cannot remember the precise date on which work started on that, but my feeling is it was in the order of about 2 weeks, but I am not sure of that, but of course it was given very, very high priority



at that particular time. The officers involved, particularly the senior ones, are very busy people and I cannot always be asking very busy people to drop everything else and to give priority to the work of the Home Affairs Department because they have lots of other things to do.

**5.9.3 Deputy T.M. Pitman:**

I hope this is not too wide of the original question. Given the last question to the Chief Minister and the Minister of Home Affairs' answer, does he perhaps agree that with all these mounting costs the best way to avoid these constant groundhog days is perhaps for him to now throw his weight behind that Committee of Inquiry and all these loose ends can be tied-up and we can find out why bone turns into coconut and all that sort of thing, put it to bed?

**Senator B.I. Le Marquand:**

Well, of course the Deputy of St. Martin has now lodged an amendment suggesting that the Committee of Inquiry be in an entirely different area. Frankly to have a Committee of Inquiry in this area would be a complete waste of public money. I have long said to the Members of this Assembly that whatever they may have thought about the costs of the Wiltshire investigations, bearing in mind that there were 2 separate investigations, at the end of the day they will have provided us with extremely thorough and professional reports in relation to the areas of the management of the historical abuse inquiry in relation to Haut de la Garenne. I still maintain that position, and now to have another report on top almost becomes into a situation of best of 5.

**5.9.4 The Deputy of St. Martin:**

Just to add, I do not think my amendment really is seeking what I think Deputy Pitman was alluding to, so maybe rest assured to Members. The Minister said he dealt with this redacting as high priority to get it produced to the States by July 2010. It was also just the time when the Chief Police Officer was retiring, and would the Minister explain to Members why he thought it was so important to get a redacted report to the States just as the Chief Officer was retiring and now take so long to produce the whole report and not indeed seek the assurance from the Chief Officer of Police that his statement could be used, because I am sure if he was asked he would be delighted?

**Senator B.I. Le Marquand:**

I had a number of different motivations in relation to getting this out in July. Firstly, I had a motivation that the public of the Island of Jersey had been waiting patiently for a very long time to find out what really happened, and I wanted to get that out to them as soon as I could. Secondly, I had the motivation that I wanted to do so before the end of the summer term, as it were, because we were very shortly going to be entering the summer break and I wanted to do it early enough to enable Members to assimilate it so that they could ask me questions, and thirdly, I wanted it to get out before I made the announcement in relation to the fact that the Acting Chief Officer was not going to seek to pursue being the Chief Officer so that it was clear that he had been exonerated by the report, that what he had said previously was correct and fully supported, because otherwise there would no doubt have been all sorts of snide comments and innuendos to the effect that he was cutting and running because there was something in the reports that did not support him. So, I had 3 motivations.

**5.10 Senator S.C. Ferguson of the Minister for Health and Social Services regarding the reorganisation of middle-grade doctors and surgeons:**

As the C.S.R. growth allowed £1.2 million for reorganising the middle grade doctors and surgeons, what are the Minister's plans in this respect?

**The Bailiff:**

Assistant Minister, do I understand you are answering the question again?

**Deputy E.J. Noel (Assistant Minister for Health and Social Services - rapporteur):**

Yes, Sir. The C.S.R. growth has been provided to bring the terms and conditions of middle grade doctors in line with that of the U.K. This is essential if the Island is to overcome current challenges associated with the recruitment and retention, the topic that has been spoken of before. Health and Social Services is currently negotiating an associate specialist contract with relevant staff groups. Once adopted, the contract will put us in a better place to attract middle grade doctors. As an interim measure, while negotiations are going on, with effect from 1st August 2010 Health and Social Services Department has awarded an annual stage payment of £5,000 interim award to all middle grades.

**5.10.1 Senator S.C. Ferguson:**

Does the plan include measures to address disparities in terms, conditions and working hours of middle grade doctors in different hospital departments?

**Deputy E.J. Noel:**

Officers from our department are currently engaged with the local negotiations committee to discuss a range of issues. It is not appropriate to provide detailed information at this stage other than to say that it is a complex contract, which cuts across a number of areas including on-call, respective cover and uplift arrangements. Members will not be surprised to hear that changes to contractual arrangements is a contentious process with a variety of views from a variety of individuals and these need to be considered in the whole.

**Senator S.C. Ferguson:**

Is the Minister ...?

**The Bailiff:**

I am sorry, Senator, I beg your pardon. I will come back to you at the end but I had seen Deputy Jeune first of all and then Deputy Southern.

[12:30]

**5.10.2 Deputy A.E. Jeune:**

I would just like the Assistant Minister if he could to clarify, did he say in his answer that there has been a £5,000 annual award offered to middle grade staff, is that correct, and is this going to be £5,000 additional every year?

**Deputy E.J. Noel:**

It is correct that Health and Social Services has awarded an interim stage payment award of £5,000 per annum to middle grade doctors in lieu of the contract being settled. This payment came into effect from 1st August 2010 and was funded from internal sources. However, for 2011 it will be coming from the growth C.S.R. bid. This amount will fall away once the new contractual terms have been agreed.

**5.10.3 Deputy A.E. Jeune:**

A supplementary, if I may. We have got something like 57 middle grade doctors, we have offered them all £5,000 extra per year, you are funding it from within your resources, why did you need Health Insurance Fund monies?

**The Bailiff:**

Why did the Minister need it?

**Deputy E.J. Noel:**

We managed to source it in 2010 because it only came into effect from 1st August from existing funds. Going forward we have not got those funds available for a full year and the payment is coming out in the interim from the £1.2 million growth bid.

**5.10.4 Deputy G.P. Southern:**

I am somewhat confused because I heard earlier from the Assistant Minister that said the European Working Time Directive was not going to be applied to middle grade doctors, and I have just heard him say today that comparable U.K. conditions will be applied to middle grade doctors. Surely in the U.K. they work to the European Working Time Directive?

**Deputy E.J. Noel:**

As far as I am aware that is the case for trainee doctors, not middle grade doctors. Our trainee doctors, as I mentioned earlier, come under the Wessex Deanery and we have to comply with their regulations because they are employed by the Deanery and we pay the Deanery not the doctors direct. We have got to the other element of Deputy Southern's question, the interim payment is there to keep us competitive, so we can try and fill those 9 vacant posts of which we have filled 5 out of the 9.

**5.10.5 Senator S.C. Ferguson:**

The Assistant Minister has skimmed over the terms and conditions and working hours. Is he aware that some middle grade doctors work in excess of 90 hours a week, and can he really believe this does not have an effect on patient safety?

**Deputy E.J. Noel:**

As I mentioned before, I do not have the average figure for doctors working hours, and I have given an undertaking to find out those figures and to bring those figures to this House.

**5.11 The Deputy of St. Mary of the Minister for Planning and Environment regarding a pollution incident which occurred in early 2009 at La Collette during construction of the Energy from Waste Plant:**

Can the Minister advise Members what progress has been made regarding the referral of a pollution incident which occurred in early 2009 at La Collette during construction of the Energy from Waste plant to H.M. Attorney General for possible prosecution, and would the Minister advise whether the case file was referred without the person who raised the alarm being interviewed by his department, and if so, why?

**Deputy R.C. Duhamel (Assistant Minister for Planning and Environment - rapporteur):**

The case file for the alleged pollution incident to which the Deputy refers was compiled by environmental protection and submitted to the Law Officers' Department on 20th August 2010. The file is currently being considered by the Law Officers and I am unable to comment further on their progress or their conclusions at this stage. I would assure the Deputy that the investigation has been undertaken by officers from my department in accordance with advice from the Law Officers' Department and established protocols agreed with the Attorney General. I would further advise that officers from the department in the enforcement of this law and other environmental regulations report to the Attorney General rather than to Ministers in order to ensure the independence of any investigations from the political system. I am aware of the Deputy's interest in the alleged pollution incident and, as he will appreciate, the incident is part of an investigation under the Water Pollution (Jersey) Law 2000, and I am unable to provide further comment on the case at this stage. The detail to which the question relates is an inherent part of this investigation and consequently it would be inappropriate for me to discuss the findings prior to the department receiving a response from the Attorney General. However, I do understand that in order to assist

the Environment Scrutiny Panel and to assure them that there is no continued pollution; officers from my department have recently undertaken a confidential briefing to the panel adviser of the incident during the ongoing review into monitoring and regulation of coastal waters.

**5.11.1 The Deputy of St. Mary:**

The Minister wants to not comment because this case file has gone to the A.G. (Attorney General) but I would like to hear from him if he thinks it is good practice when a complaint is made of this quite serious nature that the person who made the complaint is simply outside the loop completely? So, the whole process has taken place without hearing from the person who made the original allegation. Does the Minister not agree that is quite extraordinary?

**Deputy R.C. Duhamel:**

That might well be the case but I am not a lawyer, I do not have legal training, and that is what we employ the courts for.

**5.11.2 The Deputy of St. John:**

Will the Assistant Minister give details of why it took 15 months before the paperwork was sent to the Attorney General's office for review on whatever action is to be taken, and whether or not they have contacted the Attorney General's office to see if information can be forwarded to our panel so we can finish our work within that particular review, and will he accept that our panel only have a few months left in office or is it his department's will that this does not get answered before we finish our term of office, thereby the whole lot falls?

**Deputy R.C. Duhamel:**

The Deputy of St. John will know, as I mentioned earlier, that the pace at which cases are determined is entirely down to the Law Officers and the number of staff presumably or the difficulty of the case before them. I am familiar with the concept of justice being delayed is justice denied, but over and above that I am not able to make any further helpful comments as to what should have gone or what should not have gone. All of this is in the hands of the Attorney General and, in due course, when the court has decided upon the case the Scrutiny Panel and others and, indeed, Members of this House will be informed as fully as possible.

**5.11.3 The Deputy of St. Mary:**

I want to go back to the question of my chairman on the Environment Scrutiny Panel which was not answered I noticed. Why did it take 18 and a half months for the papers, I beg your pardon it is 15 months because it was in April, 15 months to send the papers to the A.G. concerning this case, the file, 15 months to carry out an investigation into one or more incidents of the same type at one site, and does this indicate ... first of all does he not agree that there is an issue there about how his department carries on its work, and secondly, would he comment on the fact that maybe he has insufficient resources in that particular area of his department to get things done in a timely fashion, because, as he said, justice delayed is justice denied?

**Deputy R.C. Duhamel:**

All I can usefully add at this stage is that it is an extremely complex case file and these things do take time to put together.

**5.12 Deputy G.P. Southern of the Minister for Treasury and Resources regarding an alternative to the use of deemed distribution under Zero/Ten:**

Now that the Minister has been advised that Jersey cannot use deemed distribution under Zero/Ten and comply with the European Union Code on Business Taxation, will he inform Members what alternatives, if any, he has under consideration to solve this problem?

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

I should first of all refer the Deputy to the answers that the Chief Minister gave to the statement and also my previous answers. I will attempt to give some further colour to the answer. We are not going to take any specific action. We are looking at the existing law to see whether there is any requirement for tightening. We will ensure that where individuals are receiving income from companies they are taxed. The most likely issue that we may expect is shareholders calling income something else. This is not an issue for just the Jersey Treasury. It is the issue that treasuries across the globe deal with. We will look at existing law to see how we can enhance any avoidance of mechanisms that are put in place, that we will certainly have strengthened enforcement and the strengthening of the Policy Unit, which I announced in the budget last year, will certainly give us all the tools at our disposal to deal with any consequences that may come from the abolition of deemed distribution and attribution.

**5.12.1 Deputy G.P. Southern:**

If I may, on a related question on the zero of Zero/Ten, what measures does the Minister have under consideration for the taxation of foreign-owned trading companies such as Boots and Normans currently pegging only zero per cent?

**Senator P.F.C. Ozouf:**

I think that is a separate question and nothing in any of the announcements that have been made today in relation to deemed distribution and attribution mean that we are not going to deliver on that commitment. It is 2 unrelated issues and I will stand by my commitment made to the Deputy of Grouville in her proposition that I will bring forward measures in advance of the budget, or certainly in the budget, but I will take advice about the extent to which there will be engagement and some communication on what the likely measures are in relation to those issues later on in the year. It is an important issue that now we have resolved the issues of Zero/Ten we can get on with dealing with that particular work stream. Our work has been really focused on dealing with these issues and the Code Group.

**Deputy G.P. Southern:**

Clarification if I may, Sir?

**The Bailiff:**

No. I had seen the Deputy of Grouville. I will come back to you.

**5.12.2 Deputy C.F. Labey of Grouville:**

The Deputy did in fact ask my question but I would just press the Minister if he could give some form of time scale that these proposals might be brought forward?

**Senator P.F.C. Ozouf:**

Any proposals in this regard will form part of the budget later on this year. We are not in the habit of announcing tax policy in advance of the budget, but I realise the sensitivity of this issue and I will consider, now we have I hope resolved the issues in relation to Zero/Ten, how we can get on with this work, and certainly this is going to be commanding the Tax Policy Unit's attention over the next coming ... we have got proposals already being worked on but I am not going to announce those certainly in question time or in advance of the budget statement.

**5.12.3 Deputy A.E. Jeune:**

The Minister when he spoke made reference to around the globe. Is the Minister able to advise whether the Isle of Man have given any announcement on their position?

**Senator P.F.C. Ozouf:**

I can say that I am advised that the Minister for Treasury in the Isle of Man has given her budget statement, and I understand that she has also made references to removing their equivalent of deemed distribution and attribution in her budget statement, so it looks as though the Isle of Man and Guernsey are aligned on this issue, which I think is obviously a positive development for both jurisdictions.

**5.12.4 Deputy M. Tadier:**

Having dropped the deemed distribution part of Zero/Ten, does the Minister expect the E.U. to now find the current proposals E.U. compliant?

**Senator P.F.C. Ozouf:**

All of the issues that we have seen, as I have repeatedly said, concerning Zero/Ten all point... and I know I have been criticised for reminding Members of this... all tackle the issue of deemed distribution and attribution. Removing it puts us back into the position that we were in 2003 where the signal was given that Zero/Ten is compliant. Nothing has changed in terms of the scope of the code in respect of that, so I can see no reason why Zero/Ten is not Code compliant. The issue, which some critics of Jersey are, I understand, making is that we cannot afford to deal with deemed distribution or they thought we could not. We can, we will, and Zero/Ten is maintained. We continue to deliver high levels of transparency and tax neutrality and financial services for the benefit of our community.

**5.12.5 Deputy G.P. Southern:**

The Minister referred to measures to be brought in to tax non-local trading companies. Would those measures be in the form of taxation or will they be in the form of charges, because if taxation then he will surely, to stay within the E.U. Code of Business Taxation, have to apply them to what used to be the exempt companies and this will give him a serious problem?

[12:45]

**Senator P.F.C. Ozouf:**

I think that potentially could be a trick question, but I will be very careful in the way that I answer it. There is nothing that is going to be proposed that moves away from the general rate of tax of zero. Absolutely clearly that is the general rate we have of zero. That is at the core of Zero/Ten. There was the special rate for financial services at 10 per cent, the 20 per cent band for utilities. Certainly, as I have indicated, we will look at the scope where appropriate of that 10 per cent and 20 per cent but it must not undermine the general rate of zero, and I will look at revenue raising matters, which are Code compliant, which are internationally compliant with any other regulations or standards that exist, but I am not going to announce them in question time.

**5.12.6 Deputy G.P. Southern:**

Supplementary, if I may. Am I correct to interpret from his words that he is talking about charges and fees?

**Senator P.F.C. Ozouf:**

I would not draw anything in my conclusions. I am not going to announce budget measures in question time on the back of questions in relation to Zero/Ten.

**LUNCHEON ADJOURNMENT PROPOSED**

**The Bailiff:**

The adjournment is proposed and therefore the Assembly will reconvene to continue question time at 2.15 p.m.

[12:46]

## **LUNCHEON ADJOURNMENT**

[14:15]

### **The Deputy of St. Peter:**

Before we start our afternoon session, I believe there were a couple of occasions this morning where we went inquorate. I would just like to point out to the Assembly that 7 States Members were attending the funeral of the wife of Mr. Ted Egré.

### **The Bailiff:**

Thank you very much. Very well, we return to questions, and the next one is a question which Deputy Trevor Pitman will ask of the Minister for Treasury and Resources.

### **5.13 Deputy T.M. Pitman of the Minister for Treasury and Resources regarding fair and equitable taxation practices:**

Always start with the best, I say. I appreciate the statement made earlier today. Given the high level working party's statement confirming that Zero/Ten is viewed as harmful and not compliant, as maintained by critics, does the Minister accept that it is now time that both the Council of Ministers and industry leaders work with the Island's critics to find the best solution to achieving fair and equitable taxation practices?

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

I refer the Deputy again to the statement made by the Chief Minister in my earlier answers. I believe the necessary steps are being taken to secure not only the future of the Island's tax system but also the stability and certainty that companies need if they are to choose Jersey as the place to do business. The end goal is always the safeguarding of a successful economic future for Island residents. The Council of Ministers has taken the decision to remove deemed distribution and attribution on the full understanding of the position of various E.U. bodies. This is combined with detailed research into Jersey's economic position, the impact on the business community and international perception. On the factual evidence I have received I make decisions, I think that in many cases some of the Island's critic's analysis is incorrect and they demonstrate - as I have seen from some the internet sites over the lunch time- that the critics of Jersey do not understand Jersey's business. I would rather base a tax policy on full facts and full understanding of the issues and believe that we have done so, and indeed today can be a confidence day in terms of a statement that we have a stable, certain tax regime for the future.

#### **5.13.1 Deputy T.M. Pitman:**

Supplementary? I appreciate the Minister's answer. I have never met Mr. Richard Murphy although I did go along to his public meeting. I also attended the recent Jersey Finance seminar. Whatever his views, Mr. Murphy happily accepted questions from people who were strongly opposed to his views. The Jersey Finance meeting, on the other hand, was closed down as soon as a couple of challenging questions were asked. Indeed the public were excluded from that. As I think this is totally counterproductive, what does the Minister believe can be done to engage the public, who are concerned about this ongoing saga, to ensure that they are engaged in pushing this forward, to come up with a solution that is the most palatable and fair for everyone involved?

### **Senator P.F.C. Ozouf:**

I think we have come up with the solution and the announcements today that we have abolished or are planning to abolish, subject to this Assembly's approval, deemed distribution and attribution means that we have dealt with all of the concerns that the Code Group has raised and I think some

of the issues that the Islanders are confused about is when they see States Members arguing, sometimes arguing for argument's sake I get the impression. We, together as a united Assembly, need to build a positive economic future for Jersey. That positive future can only be based on a competitive offering for Jersey and we need, as an Assembly, to unite around the need for competitiveness, move forward and start building confidence rather than point-scoring and inappropriate rows in public.

**5.14 Deputy M.R. Higgins of the Minister for Health and Social Services regarding doctors currently working under restrictions:**

Mindful of the need to anonymise the response, will the Minister detail the length of time that each of the doctors currently restricted have been under such restrictions, explain what training has been offered to, refused by or undertaken by them and give a categorical assurance that every assistance has been given to them to enable a full return to medical duties, and that there have been no deliberate impediments.

**Deputy A.E. Pryke of Trinity (The Minister for Health and Social Services):**

There are currently 4 doctors working on restricted practice. The doctors have been working on restriction for periods of 5 to 23 months. I have already provided a briefing paper to all States Members about this issue. I can categorically assure Members that Health and Social Services have not put any impediment in place to the provision of retraining or other measures such as study leave or working under supervision to support these doctors to return to full duties. Where necessary we have gone to substantial lengths to secure retraining packages. We have acted in accordance with H.R. (Human Resources) best practice, the requirements of our own policies and those imposed by the agencies that regulate the medical profession and in accordance with any legal processes that may relate to any of these doctors.

**5.14.1 The Deputy of St. Martin:**

I know the Minister has not mentioned patient safety today but one of the doctors was able to return last year, last February - 12 months ago - in which he was exonerated of all charges and, in fact, found that he should never have been suspended. Can the Minister inform Members why this person, this doctor, is not back on to full duties and why has he not been retrained?

**The Deputy of Trinity:**

I never make any apologies for mentioning patient safety. That must be to the forefront of any Health and Social Services Department. I will not go into any precise details of any restricted doctors. Suffice to say that we are working with all of them with a view of retraining, where that is appropriate, to get them back into proper duties.

**5.14.2 The Deputy of St. Martin:**

Just a supplementary. Again, I will refer to this one particular surgeon or consultant because it is 12 months. Can the Minister inform Members what particular training and help and guidance he has been given within those last 12 months, and, in fact, why is he not back at full work?

**The Deputy of Trinity:**

I will not - and I have said that many times - go on a specific person. I have given briefings to all States Members regarding restricted practice and the training is worked out with the doctors with a view of work going forward.

**The Bailiff:**

I suppose we should not really treat a hearing aid the same as a mobile telephone. **[Laughter]**  
Deputy Le Hérissier.



**5.14.3 Deputy R.G. Le Hérisier:**

Notwithstanding the Minister's well-held concerns, could the Minister tell us, in the light of these several instances of restricted practice, what lessons does she feel she has learnt in the last year or 2 from this situation?

**The Deputy of Trinity:**

I think the main lesson that I have learnt is it is complex and it is not straightforward, there are very many different issues which have to be taken into account. I wish it could happen sooner and I also wish that States Members really could understand the briefing and the doctors on restricted practice briefing notes.

**5.14.4 Deputy M.R. Higgins:**

I must admit I am very surprised to hear that a doctor has been on restriction for 23 months but has not received any training whatsoever. I must admit I am very, very concerned at the answers given by the Minister for Health and Social Services because information that I am receiving - and I will come back to the House if it is substantiated - is there are impediments being put forward to prevent certain doctors getting training. So if I find that the information I am being fed is correct then I will be making a formal complaint about the Minister misleading the House.

**The Bailiff:**

So what is your question?

**Deputy M.R. Higgins:**

Is the Minister totally sure that she has been fed the right information by her staff?

**The Deputy of Trinity:**

This is the information I have, it is bound by some confidentiality and I know Deputy Higgins has asked this question, I forget how many times he has asked it, but what I say to him is if he has that information, if he has that evidence, then please come and see me. As I have said, I have always got an open door policy and I have given the States Member the briefing notes and the Deputy has not come to me. I challenge him, if he has that evidence, please come and see me.

**Deputy M.R. Higgins:**

If I can just say, I wanted a categorical assurance there were no impediments first.

**5.14.5 The Deputy of St. John:**

This morning I was told I had to wait until this last question basically to put my question, I had my light on, and on from the very first question, and I am still being totally ignored by the Chair. You keep on cutting me off at the knees, Sir.

**The Bailiff:**

Deputy, that is the last thing I would wish to do. I do apologise, I did not see your light. I looked around and did not see it. Would you like to ask your question then, there is still time?

**The Deputy of St. John:**

Of the doctors on restricted practice, how many are awaiting disciplinary hearings, if any?

**The Deputy of Trinity:**

Again I say this, I have a duty of care to my employees and I cannot give that information however much States Members would like to know. I am afraid I am bound by the confidentiality, as I said, I have a duty of care to my employees.

## **6. Questions to Ministers without notice - The Minister for Education, Sport and Culture**

### **The Bailiff:**

That completes question time. Then we come to Questions to Ministers without notice. The first period is to the Minister for Education, Sport and Culture. Deputy Lewis.

### **6.1 Deputy K.C. Lewis:**

Further to the announcement from the Minister for Economic Development saying that he would be utilising the services of the R.N.L.I. (Royal National Lifeboat Institution) to provide lifeguards services during the forthcoming season, will the Minister for Education, Sport and Culture be doing likewise to facilitate the lifeguards at Havre des Pas pool, which comes under his jurisdiction?

### **The Deputy of St. Ouen (The Minister for Education, Sport and Culture):**

I have already given a commitment some time ago to maintaining the lifeguard services at Havre des Pas and, as yet, I have had no direct contact with the Minister for Economic Development with the regard to the R.N.L.I. It would seem sensible that if the R.N.L.I. are going to provide services to the whole Island that we should include Havre des Pas in those discussions. Thank you.

### **6.2 Deputy T.M. Pitman:**

Would the moving on of Deputy Green, will the Minister now this time be appointing the most qualified capable and outstanding candidate for the Assistant Minister's job or will he be once again ignoring me? [Laughter]

### **The Deputy of St. Ouen:**

I believe that people can change [Laughter] and also when I come to select my Assistant Minister I will be going through the exact same process that I went through last time. I will be inviting Members to indicate and express their interest in a particular position, I will then be interviewing them and making my final decision based on those interviews. Thank you.

### **6.3 The Deputy of St. Martin:**

Will the Minister inform Members of the criteria for pupils waiting to enter schools who are on the waiting list at private schools? Will the Minister inform Members in fact whether the criteria is such that local people who are on it lose their place if indeed someone from a (j) category may well come to the Island. Is there a rejigging to accommodate a (j) category as opposed to a local resident?

### **The Deputy of St. Ouen:**

It is difficult for me to comment about the waiting lists regarding the private schools on the Island. All I can say is that consideration is given to local people and our young children, although some schools, I believe, do have some form of exam entrance so they are selective in nature. But I have no impression that certain sectors of our community have been favoured in any particular way.

### **6.4 Senator J.L. Perchard:**

The Minister informed the Assembly some time towards the end of last year, I believe, that he was seeking to conduct an independent value for money performance review into those schools who are in receipt of public funding, the fee-paying schools. Will he advise the Assembly which schools have been reviewed and have the reviews been completed?

[14:30]

### **The Deputy of St. Ouen:**

All fee-paying schools participated in an intensive review programme which enabled educational consultants to enter the schools and express a view on the education provided and how it was being provided. Those reviews have now been complete and they are informing discussions as we move

forward with the fee-paying schools in finding a solution in order to deliver a reduction in grant which is proposed as part of the C.S.R. process.

**6.4.1 Senator J.L. Perchard:**

I did ask which schools have been reviewed and will the Minister, being that the reviews were funded publicly, make these reports available and will he undertake to have the same level of review undertaken to his own provision?

**The Deputy of St. Ouen:**

We continually undertake reviews on the States provision as is required under the Education Law, and I also have the responsibility and ability to instigate timely reviews in any educational establishment on this Island that falls under the Education Law. With regard to the reviews being carried out, I think I had made myself very clear when I said all fee-paying schools had participated in the process that would be - and I will add these words - affected by the proposed reduction in grants. With regards to the reports themselves, yes, I did fund them because it is my responsibility, as I say, to ensure that the schools are operating effectively and the education provided meets certain standards. Are they public reports? No. These are internal reports agreed between the governing bodies of the schools and myself to inform decisions that will need to be made in the coming months.

**Senator J.L. Perchard:**

The Minister is refusing to make these reports public, is that right?

**The Bailiff:**

That is what he said. Deputy Le Hérissier.

**6.5 Deputy R.G. Le Hérissier:**

Would the Minister acknowledge that in order to arrive at a well-rounded view about a school it is necessary to examine, not in isolation, but as part of the big picture, their examination results?

**The Deputy of St. Ouen:**

If we are talking about monitoring the progress of each individual within our schools to ensure that they are reaching and able to reach their maximum potential, we are doing that. Over the last number of years we have improved that particular performance measurement with the introduction of professional partners. These are experienced educationalists that go into schools on a termly basis and challenge the headmaster and the teachers at that school regarding the education that they are providing for all individuals within that school, and each individual. I think that that is the best way of ensuring and satisfying concerns that the education that we are providing, whether it be in a States school or, indeed, a fee-paying school, meets the standards that we have come to expect.

**6.5.1 Deputy R.G. Le Hérissier:**

Just a supplementary. Would the Minister acknowledge that in making that statement that his external assessors do assess examination results and provide him with a summary of their concerns or praise, if that be the case?

**The Deputy of St. Ouen:**

We have a system of assessment that goes on a year by year basis that monitors each individual, because we need to know if individuals need additional support. We need to know if the individual students are faced with certain challenges, and the whole performance monitoring system has been designed around the individual. If we know, and we can satisfy ourselves as a department that those schools are meeting the needs of the individuals, we do not need to look at examination results. They become meaningless because it is all about improving and maximising the potential of every student within the Island.

## **6.6 The Connétable of St. Lawrence:**

I thank the Minister for his presentation at lunch time, at which time he told us of the priorities that he is working towards in his department. However, sometimes it is those areas that may not be on his radar that we must bring to his attention. I ask therefore whether the Minister is aware that due to traffic congestion there is potential for an accident to happen during drop-off and pick-up times at Bel Royal School? If he is aware of this, how is his department addressing it?

### **The Deputy of St. Ouen:**

I am personally not aware of the traffic congestion issues at Bel Royal School, although I will say that I am well aware of the traffic congestion issues in and around Wellington Road and Mont Millais courtesy of certain Deputies. I will certainly be more than happy to sit down with the Constable, together with T.T.S. and work through any possibility to improve matters.

### **The Connétable of St. Lawrence:**

Thank you, that was my supplementary question and the Deputy has confirmed it.

## **6.7 The Deputy of St. John:**

I was taken aback to get on to my computer recently, just at lunch time, and found that we had all been circulated with a quick response by the Minister to the question I put in the House this morning on free nursery school timing for families at the State schools. Given that the Minister can find additional funding between now and September of this year to finance the additional 10 hours for quite a number of these children, will he also find money within his budget to reinstate school milk?

### **The Deputy of St. Ouen:**

I am not finding additional funds to support pre-school, what I am saying, and the decision I have made, is that in future whether the parent accesses private or public early years' education, they will be offered the same opportunity of free hours. With regards to school milk, I think that there is an opportunity for the States Members to engage with Jersey Milk, because after all, although we have stopped providing school milk we continue to provide substantial sums of money to the dairy farmers themselves through direct grants, and it might be that the Jersey Dairy might choose, or could be encouraged, to look at contributing and reintroducing school milk to the schools that require it.

## **6.8 Deputy A.E. Jeune:**

What we do not seem to get an awful lot of in this House is good news. I want to refer to what I call the class of 2010. I do not know whether you have been to Highlands to see the tremendous advance that has been made with young 14 to 16 year-olds group in vocational work. There is a question coming at the end of it, but the point is I think it is very important that we are aware of this tremendous work that is being done up there. It is not a little catering class, it is a hospitality class.

### **The Bailiff:**

Are you coming to the question, Deputy?

### **Deputy A.E. Jeune:**

Yes. There is mechanics and there is building and hairdressing and beauty, and it is absolutely marvellous. Will the Minister please tell this Assembly that they will do more of this for these young people? [Approbation]

### **The Deputy of St. Ouen:**

I am greatly encouraged by the enthusiasm shown by the Deputy regarding the new 14 to 16 year-old vocational courses. I would invite any States Member to visit and see for themselves what

Deputy Jeune is seeing, which is over 100 young and focused students fully engaged in vocational courses that will prepare them for work as and when they are ready to access it.

**6.9 Senator B.E. Shenton:**

It is my understanding that the independent reports on the fee-paying schools were all glowing. Does the Minister have any intention of carrying out similar sort of inspections on schools such as Haute Vallée and Grainville?

**The Deputy of St. Ouen:**

As I said before, we carry out very regular inspections on all of our schools. I am not giving way. Far more regular than perhaps we have in the past undertaken in conjunction with the fee-paying schools. It is something that in future I will be paying attention to. I have no concerns about either Haute Vallée, Grainville or any other of our States secondary schools. **[Approbation]** They are providing an excellent education for that matter.

**6.9.1 Senator B.E. Shenton:**

Supplementary. Will the inspections be by the same independent people?

**The Deputy of St. Ouen:**

We use only the top quality and experienced advisers and they are independent and are from the same group.

**6.10 Deputy R.G. Le Hérisier:**

Given the controversy that surrounded arranging hustings in schools at the last election, could the Minister announce what his policy will be for the forthcoming election?

**The Deputy of St. Ouen:**

Better. **[Laughter]** Seriously, we are working with the Scrutiny Panel to determine how best we can provide and encourage our youngsters to take part in the electoral process. However, we do need to recognise that they are and should be considered to be young adults with the freedom of choice.

**6.11 Deputy J.A. Hilton:**

I was talking to a friend over the weekend who is a qualified teacher currently living in the U.K. and within the educational authority where she lives, she tells me that classroom assistants teach in the classroom in primary and secondary education. So the question I have for the Minister is do classroom assistants routinely teach here and, if they do, can the Minister inform me in what sort of context does this happen?

**The Deputy of St. Ouen:**

I can honestly say that I probably cannot answer this question in as much detail as the Deputy would like. What I can say is that we do use teaching assistants in a number of our different facilities to support individuals that need additional education. Those that are qualified absolutely will teach, will encourage and will help individuals in a various number of subjects. If the Deputy wants a far more detailed answer, I am more than happy to put her in touch with the officers at my department.

**6.11.1 Deputy J.A. Hilton:**

The point that was made to was that classroom assistants in the U.K. routinely teach on a daily basis and I was wondering whether that was occurring here?

**The Deputy of St. Ouen:**

They are teacher's assistants and by the very nature of the name it describes what their role is. We have qualified and experienced teachers that are responsible for each class and they can be supported, where necessary, with these teaching assistants.

**The Bailiff:**

Very well. That brings question to the Minister for Education, Sport and Culture to a close. We move now to questions to the Minister for Health and Social Services.

**7. Questions to the Ministers without notice - The Minister for Health and Social Services**

**7.1 The Deputy of St. John:**

If I could ask the Minister, in the U.K. on 11th February, the *Daily Mail* had an article on school milk and bowel cancer. Given that it is now proven that school milk can prevent bowel cancer, will the Minister for Health and Social Services look into, from within her budget and within the education budget, funding school milk? I will give her the article that might ... because it is 40 per cent ... cancers can be reduced by 40 per cent by taking school milk.

**The Deputy of Trinity (The Minister for Health and Social Services):**

I shall look at the article and I will send it to public health for their comments. I wish it was as easy as that. That is what I would like to say. If that can cut it down by 40 per cent then I would support it but I know a lot of good work is being done in schools regarding healthy eating, and there are a lot of initiatives in the primary schools in healthy eating because that is important. Prevention starts at a very young age so that is where the work is being done. But I will certainly send this to our Acting M.O.H. (Medical Officer of Health) and she will comment and come back to you.

**7.2 The Deputy of St. Martin:**

I am sorry to hear of the Medical Officer of Health's illness which is going to force her to retire and I am sure Members of the House would like to extend our best wishes to her. **[Approbation]** Her post has, of course, been covered by a Deputy for some time and is a very important job.

[14:45]

Is the Minister able to tell Members when the M.O.H. is likely to retire and how soon there will be an appointment to cover her job or to replace her?

**The Deputy of Trinity:**

I thank the Deputy for his comments and it gives me an opportunity to publicly thank the States of Jersey M.O.H. for the work that she has done, and also to say how sorry I am that she has had to retire on health grounds. She has done work with raising the public awareness and the importance of screening in schools and other issues, but also importantly regarding 15 months ago with the swine flu pandemic. If it was not for her and her team, very proactive in how they vaccinated all our children back then, we could have been in a totally different situation to what we were and I would publicly like to thank her for that. The M.O.H. will be going in a couple of months' time, as you said quite rightly, we have an Acting M.O.H. because the M.O.H. has statutory duties which he or she have to perform. There will be a normal advertising process but also to pick up on a question Senator Perchard asked me a couple of months ago about having one M.O.H. with Guernsey. This gives us the chance to have discussions with Guernsey and just to take it from there. We will see how those discussions progress.

**7.3 The Connétable of St. Mary:**

I have received calls from persons who are concerned following media publicity, about the possibility of having to pay for such things as carpel tunnel surgery and tonsillectomies. Can the

Minister reassure the public that these medically warranted procedures will not be considered in the same light as, say, calf implants or buttock lifts?

**The Deputy of Trinity:**

If only it was that simple. Yes, I think it was the result of a question that I think Deputy Southern asked and it was about cutting clinical operations. I would like to reconfirm, all operations are done on clinical need and the article in the *J.E.P.* was slightly misleading because what was quoted on the back of that answer was low clinical value operations that are done in U.K. and N.H.S. (National Health Service) guidelines. I would like to just give an example, all operations are done on ...

**The Bailiff:**

If you could be concise, Minister, because your last answer, understandably, was very long.

**The Deputy of Trinity:**

... clinical need and they will continue to be done on clinical need.

**7.4 Deputy R.G. Le Hérisier:**

Given the most recent high level management appointment, one of a very long series made in Health, could the Minister inform us whether her department will now be using the States Procurement Department or whether they are now going ahead with their appointment of a senior manager and handling their arrangements independently?

**The Deputy of Trinity:**

Sorry, which appointment was the Deputy talking about?

**Deputy R.G. Le Hérisier:**

As I understand, it was the appointment of a procurement and commissioning manager.

**The Deputy of Trinity:**

Procurement is run from the Treasury and Resources, it is a big area because against our C.S.R. savings we have to find, I think, £750,000. But it is important that it is well run because we purchase thousands and thousands of pieces of equipment every single day, and it is making sure that we get the right and the correct negotiating skills to achieve the best price and the best value.

**7.5 Deputy A.T. Dupré of St. Clement:**

I wonder if the Minister can give us an update on how the work on Brig-Y-Don is going, please?

**The Deputy of Trinity:**

Yes, that is a nice thing to say. Brig-Y-Don is, as you know... we had some money under an Article 11(8) request arising from the recommendations in the Williamson Review that we should be looking at a smaller children's home. Work started at the beginning of January. The trustees of Brig-Y-Don put us under a very tight timescale, to finish by the beginning of June as they have asked the Governor, as one of the last things that he will do, to open it. I think that we are on schedule hopefully to open the 6-bedded children's home with 2 independent living flats alongside of it.

**7.6 Deputy P.V.F. Le Claire:**

Private treatment for cancer in France can be achieved at a greatly reduced cost in a country which is recognised as being one of the best in tackling that issue. What work, if any, is occurring at the moment in trying to ascertain whether or not future needs in these areas can be filled by our neighbours in St. Malo?

**The Deputy of Trinity:**

All these issues are being put - and especially that one - in a strategic road map because, as we all know, Health faces many problems, the Island faces many problems looking ahead with ageing population, chronic diseases, health estates and cost of drug treatments. So we have to look at how we can ... what operations that we do need to do here, could they be more effectively done elsewhere and France is part of that mix.

### **7.7 Senator J.L. Perchard:**

Again about the Medical Officer of Health, I would endorse the Minister's comments. But does the Minister view the departure of the Medical Officer of Health as an opportunity to reprioritise her department's expenditure, in particular by targeting greater resource at frontline services rather than at the Department of Health?

#### **The Deputy of Trinity:**

With the departure of the M.O.H. it does give us an opportunity to look at whether we have a joint Channel Islands one, but also we are looking at the department as a whole. But public health is important. We should not underestimate that. It is keeping the Island healthy, starting from immunising children upwards. So there will always be a need for a department.

#### **7.7.1 Senator J.L. Perchard:**

The Minister has more or less told me, not quite directly so I will ask her again, that she is not prepared to look at reprioritising her department's expenditure to provide more resource to frontline services, at perhaps the expense of the Public Health Department.

#### **The Deputy of Trinity:**

I did not quite say that. Everything is still in the mix but there still will need to be a Department of Health. As I said, screening, immunisation for children, and we saw 15 months ago with the pandemic flu, that was led from the Department of Health. If we take our eye off the ball we will store up problems for 5, 10, 15 years' time and we need to think of that too.

### **7.8 Senator F. du H. Le Gresley:**

Does the Minister have a strategy to purchase any more nursing home beds in the private sector to cope with the ageing population or does she consider that the current provision is adequate?

#### **The Deputy of Trinity:**

This is where we are with the ageing population and there will be a need for more beds, especially nursing home beds. At the moment Health and Social Services with the 2 nursing homes have 64 beds between The Limes and Sandybrook and in addition we contract 44 contract beds and a further 42 spot purchase beds. We have funding for those, but it is a worry as we go forward because of the ageing population and the cost of nursing homes, and we are working with Social Security with the funding and that is where the long term care package will be very important going forward.

### **7.9 Deputy M. Tadier:**

Could I ask the Minister for an update on the alcohol strategy and when we can expect to see it come to fruition?

#### **The Deputy of Trinity:**

I hope that will be within the next couple of months. I have not had an update personally for the last couple of weeks, but I shall put it on the Ministerial agenda for next week and tell the Deputy where we are.

### **7.10 Deputy A.E. Jeune:**



Would the Minister confirm or deny whether the interim hospital manager who came for 6 months, which I think was going to expire last November, has been given a 2-year extension and, if that is the case, is it on the same terms and conditions?

**The Deputy of Trinity:**

Yes, the hospital director has got an extension. We worked with him to provide that because he was absolutely a great asset and doing a great deal of work within the hospital. Regarding his terms and conditions, I think that is private and confidential between him and his employer.

**7.10.1 Deputy A.E. Jeune:**

I am sorry, I believe that it was public information that it was costing the States of Jersey or the Health Department £1,000 a day. I am just wondering whether this 2-year extension, as I heard it was, is in fact on those same terms.

**The Deputy of Trinity:**

Sorry, I thought you wanted more detail of terms and conditions. Yes, it was in a written question that came from the Chief Minister today.

**7.10.2 Deputy A.E. Jeune:**

Sorry, the Minister is confirming that that £1,000 continues a day?

**The Deputy of Trinity:**

No, in the written question it is £26,000 a month. On top of that you have to think of what he saved within the hospital. He has at least saved £600,000 so far in the months that he has been with us and I think that is very good value.

**Deputy J.A. Hilton:**

My question has been asked. It was about the Medical Officer of Health sharing with Guernsey.

**7.11 Senator S.C. Ferguson:**

The department has now been given availability of the Health Insurance Fund monies but we have not seen anything on the progress or plans for the primary healthcare plans. When will these be brought to the House?

**The Deputy of Trinity:**

If I remember rightly, the Health Insurance Fund, the funding for primary care plans was going to be funded from Social Security within the overall budget that came to the States. Work is going on with Social Security and the Law Officers' Department and the primary care body as well as the Acting Medical Officer for Health.

**7.11.1 Senator S.C. Ferguson:**

Supplementary? But surely at this point there are some plans as to what the primary healthcare plan is going to be?

**The Deputy of Trinity:**

I am sure there are some plans because the officers have been working hard and they know very well that they are within a very tight timescale. As to the nitty-gritty of the plan, I have not got that information.

## **STATEMENTS ON MATTERS OF OFFICIAL RESPONSIBILITY**

**The Bailiff:**

Very well, that brings questions without notice to the Ministers to an end. There are no personal statements so we come then to Statements on Matters of Official Responsibility and the Minister of Economic Development will make a statement regarding the regulation of Channel Islands ferry services.

## **8. Statement by the Minister for Economic Development regarding the regulation of Channel Islands ferry services:**

### **8.1 Senator A.J.H. Maclean (The Minister for Economic Development):**

The Green Paper consultation on competition, licensing and regulation in the car and passenger ferry services closed on 2nd September 2010. A total of 373 responses were received to the online consultation and out of these 196 respondents submitted additional comments. The Economic Development Department published full details of the public responses and a summary analysis on 5th November 2010. Analysis of the research undertaken in developing the Green Paper and the public response to the consultation process confirmed that the current Channel Island Sea Transport Policy is fit for purpose and will not benefit from amendment. In addition, there does not appear to be any good grounds for new legislation, a regulated monopoly or external oversight by the Jersey Competition and Regulatory Authority. However, the consultation responses revealed some strong local views. The reliability of the service on the St. Malo route is of particular interest to Islanders and it would be wrong not to recognise that Condor has had some operational difficulties during 2010 which caused significant disruption to the travelling public. To address the issues raised by the public, officers from Jersey and Guernsey have held detailed discussions with Condor Ferries. Condor have now formally responded and in doing so have recognised that parts of their service have scope for improvement.

[15:00]

Condor have gone to some effort to improve schedules for 2011 and have particularly considered frequencies, departure and arrival times, adequate maintenance periods and the introduction of special fares for Jersey and Guernsey residents which are accessible on their website. In particular, I am pleased to be able to say that one-off promotions are now being offered with proportionately more of these fares being available to Islanders than to the U.K. or French residents. I have also had assurances from Condor that fares from the U.K. to France are not cheaper than for travel on the same day from the U.K. to the Channel Islands. On the one hand attracting more U.K. to France passengers directly supports the profitability of the service to the Islands but on the other Condor have recognised that this has been a sensitive issue and have not offered lower fares since 2009. Furthermore, Condor plan to improve customer liaison and intend to publish operational performance data and summaries of customer surveys on a regular basis. To ensure the improvements promised by Condor are delivered I have agreed the following specific actions: (1) a minimum of 2 formal meetings each year between Jersey and Guernsey Ministers and Condor to review the performance and future plans for sea routes served by Condor; (2) as part of the reform of consumer representation in the Island to request the Jersey Consumer Council to establish a consumer user group to give individual consumers a stronger voice. This group will be an early beneficiary of the approval by this Assembly, which was given to establish a stronger and more independent council. A consumer user group will nevertheless take time to establish. In the meantime I will be glad to continue to receive comments from members of the public on issues they have with ferry services. (3) To instruct Economic Development officials to work in close liaison with the United Kingdom's Department of Transport to make sure that Jersey residents can benefit from new E.U. sea passenger rights and complaints procedures. These procedures are due to come into force on 18th December 2012 and it will be important to see how effective they are before looking at more substantive changes. (4) To hold Condor to account to maintain the best standards and to review its 2011 operational performance before any final decision is made about the future after permits and agreements expire at the end of 2011. (5) To make better use of intermediate sanctions against any operator in the event of repeated poor operational performance. These could

include the setting of new service standards and warnings that poor performance could jeopardise permit renewal. Sanctions must offer the ability to take affirmative action before the extreme step of rescinding the ramp permit through which ferry services operate.

### **The Bailiff:**

Questions? Deputy Martin.

#### **8.1.1 Deputy J.A. Martin:**

On point 4, to hold account to the end of the permit agreements, the whole statement seems like a sticking plaster but when we will we be going out to tender because this is only a few years away, or are we saying we are not going to bother as long as Condor are good boys in the next 2 years and abide by all that is on this paper.

#### **Senator A.J.H. Maclean:**

What we are saying is that we will review at the end of the 2011 season, if you like, at the end of the year of 2011, the performance of Condor based on these new undertakings that they have given. We are not making any undertaking at this stage about future permit renewals in 2013 or indeed whether we may well choose to go to tender. We are, however, working closely with Guernsey, we see the routes not just as a southern route but as a network of routes and we are working closely with our colleagues in Guernsey as indeed this was a joint consultation to ensure that we have the best as possible joined-up approach that suits both the residents of Guernsey but equally the residents of Jersey in all these regards.

#### **8.2 Deputy J.B. Fox of St. Helier:**

I refer to “ensure improvements to promises by Condor are delivered” but specifically to (4): “To hold Condor to account to maintain the best standards” and, (5): “To make intermediate sanctions against any operator in the event of repeated poor operational performance.” Last Friday morning there were 3 Condors moored at Weymouth Harbour. I arrived at 9.00 a.m., an hour before departure, to be told that the vessel was going to be running slow and was going to be an hour late; 22 minutes later they advised me of this fact on my mobile, which normally they do the day before. In fact the vessel continued to Guernsey and Jersey and arrived one hour 15 minutes late. I thought: “Well, it is probably the same vessel with engine trouble.” But I hear today again that the same vessel was again going to be running late. I wonder if the Minister could ascertain whether this is engine trouble or, in fact, they are just running slow but they are not the telling public until just before they are due to depart. When people are on the boat they expect a schedule, except in emergency circumstances, and there were people on that boat that were late for work because of limited sailings at this time of year. So it does affect the travelling public and upfront information, as stated in this statement here, would greatly help. I wonder if the Minister would act on it, please.

#### **Senator A.J.H. Maclean:**

I clearly do not know the detailed operational intricacies of individual sailings but I am more than happy to ensure that the Deputy has further details on that particular case. What I would say is what I have noted with Condor over the last 18 months or so, notwithstanding the operation difficulties they had with their vessels last year, which I have already referred to, the overall level of service has improved considerably and I think we can see the ways in which they have assisted the public of Jersey around the volcanic ash incident demonstrates that they are prepared to put considerably more into serving the Island than perhaps might have been the case previously. I do accept that there are areas that need improvement. I think the Deputy has probably referred to one. Any commercial operation is going to have difficulties on a day-to-day basis.

#### **8.3 Deputy P.V.F. Le Claire:**

I raised the issue with the Minister previously, last year, about the fact that when a plane is delayed people are entitled to certain remuneration from the international community for whatever their

flight is delayed. In the statement today the Minister is outlining the fact that from 18th December 2012 new procedures will come in to benefit sea passengers from the E.U. Would the Minister please circulate those so that we can have sight of what it is going to happen and whether it will be available to Jersey residents from that date? At the moment we are paying for a fast service, we are experiencing a slow service and there is no remuneration whatsoever. You pay the fast fare and you get the slow ride.

**Senator A.J.H. Maclean:**

The Deputy is referring to the E.U. sea passenger rights and complaints procedures, which I made reference to, which come into force in December 2012. What I said in the statement was that we would be having discussions to see if indeed that could be carried over and would be applicable to Jersey. There is no guarantee indeed that it will be, but what I have said is that we will be looking at that as a possibility to see if we can indeed carry it over. The full details of that particular receipt and complaints process need to be assessed.

**8.3.1 Deputy P.V.F. Le Claire:**

A supplementary? Seeing as there does not seem to be any protection other than some tacit agreement to sit down once or twice a year with Guernsey, is there a memorandum of understanding that is annually updated and adhered to, and is he able to circulate that?

**Senator A.J.H. Maclean:**

I think what is contained within the statement are a number measures which will help to improve and protect consumers - particularly local consumers here in Jersey - one of which is the establishment through the Jersey Consumer Council of a consumer user group. I think one of the issues is ensuring that consumers have their issues raised and are properly heard and properly acted upon, and I think that is a significant step forward.

**8.3.2 Deputy P.V.F. Le Claire:**

With respect, the users no matter who they are, and the consumers no matter who they are, have to seek redress for the public through the Minister and the Minister is the one that is empowered. I am asking if the Minister has a memorandum of understanding on the performance of the company and if it is not in place will he undertake to investigate to get one in please?

**Senator A.J.H. Maclean:**

Yes, sorry, the Deputy did ask that question. There are details contained within the permit arrangements and I am more than happy to give the broad details of those, they are available, and I am happy for the Deputy to have those details so he can see what is covered.

**8.4 Deputy R.G. Le Hérissier:**

Has the Minister caught sight of the economic data which says whether or not, under any operator, this route is likely to be profitable? If he has, does he believe that there is a chance of another competitor coming on the route or are basically stuck with a monopoly of one kind or another. Thank you.

**Senator A.J.H. Maclean:**

The Deputy refers to "this route", I am assuming he is talking about the network not just the southern route. There has been some work done. Oxera did some work previously. The network is believed to be profitable and the difficulty, I think, in the current economic climate of having additional operators... we have no approaches, we are open to approaches if an operator was to come forward and present a case that was going to be in the interests of the Island. In this climate there are none coming forward, which is probably not surprising.

**8.5 Senator A. Breckon:**

The Minister has mentioned the Green Paper and the responses in his statement, I wonder if the Minister could confirm that the Consumer Council made a submission that suggested the establishment of a Channel Islands Ferry Consumer Group and if he can also confirm that there was some detail that Deputy Le Claire has referred to underneath that, and would he also confirm... and could he offer some officer time and effort so that I could perhaps assist to make this happen and put it into place.

**Senator A.J.H. Maclean:**

The quick answer is yes, yes, yes and yes, I think it is. I think that answers all his questions.

**8.6 The Deputy of St. John:**

Given Condor in the past have a chequered history, including the Islands having to put the route out to tender when P&O were the successful tendering company and this was turned on its head by Guernsey reneging on its dealings with Jersey, my question to the Minister is can you trust Guernsey, given their history, and given that Guernsey are only one third of the passengers route numbers and Jersey two-thirds? Should the Minister not get off his backside, get over to Guernsey and tell them that we want far more rotations north bound that we are getting at the moment directly from Jersey where passengers many times have to wait for a Condor on the berth to move before they can get in. I want to see our people in Jersey, that the Minister is supposed to represent, get a far better service than what we have been getting over the last several years. I am talking for the people of Jersey; I am not concerned what happens about our neighbours north. Yes, if they can get on board, all well and good. I want the Minister to say he is going to get off his backside.

**The Bailiff:**

Deputy, I allowed it the first time but that is not a parliamentary expression.

**The Deputy of St. John:**

Yes, Sir, off his buttocks.

**The Bailiff:**

No, nor is that.

**The Deputy of St. John:**

I will withdraw that word but will leave the rest of it in.

**Senator A.J.H. Maclean:**

I have noticed that the Deputy of St. John has been in a bad mood all day. I would say in his suggestion that I go over to Guernsey, I am sure he would be the first to complain that I was wasting public money going on jollies talking to our Guernsey colleagues. In some respects one can hardly win with the Deputy of St. John. Nevertheless what I will say to him is I think it is absolutely right, whether it is a third or two-thirds that as the sea routes are part of a network the economic viability is as a network, I am afraid, Deputy, that we conduct the consultation and consideration of permits on future sea routes together with Guernsey, but my primary aim, clearly is the interests of the Jersey consumer and Jersey residents and that will always be the case when we consider what the future arrangements are going to be for future permits and also performance of the operator which, as I have already said has improved considerably in recent times.

**The Deputy of St. John:**

A supplementary. Given the Minister's comments ...

**The Bailiff:**

I am sorry, Deputy, but in fact time has expired.

**The Deputy of St. John:**

Once again, Sir, I was just going to ask if he suffers from seasickness and we might have got a response that he does not go on boats.

## **PUBLIC BUSINESS**

### **9. Minister for Treasury and Resources: request to Chief Minister to lodge proposition for dismissal - petition (P16/2011)**

#### **The Bailiff:**

That concludes the Statement on Matters of Official Responsibility so we come now to Public Business and the first matter is Project 16 - Minister for Treasury and Resources: request to Chief Minister to lodge a proposition for dismissal - a petition lodged by Deputy Southern. I ask the Greffier to read the proposition.

#### **The Greffier of the States:**

The States are asked to decide whether they are of opinion to request the Chief Minister to bring a proposition asking the States to dismiss the Minister for Treasury and Resources.

[15:15]

#### **9.1 Deputy G.P. Southern:**

Before I start I think I ought to talk about the actual wording of the petition; with the House's permission I will read through it: "These are the reasons for this petition: in response to the worldwide recession the Council of Ministers has taken a number of actions and proposes more in 2012 which, in combination, in the opinion of the petitioners, unfairly penalise ordinary working people and their families, especially those on low to middle and fixed incomes. These actions include: severe cuts to frontline public services such as health, education and policing; mass redundancies imposed on the public sector; the threat of a 2-year wage freeze and major reductions in employee terms and conditions; the proposed rise in G.S.T. to 5 per cent and the refusal of the Minister for Treasury and Resources to use the Strategic Reserve to mitigate the impact of the recession. We, the undersigned, petition the States as follows: to request the Chief Minister to bring a proposition asking the States to dismiss the Minister for Treasury and Resources." That petition, despite the fuss made by the *J.E.P.*, and one particular element at the *J.E.P.*, was signed by 10,413 petitioners and it was gathered in a very short time. What it reflects, I believe, was the sense of (a) disappointment and (b) anger at what has been going on on this Island, particularly over the issue of G.S.T. but, more recently as we have seen, the absolute mess that we are in over Zero/Ten. Before I start I have to say that there is nothing personal in this. I admire the Minister for Treasury and Resources in many ways. I admire his drive and his capacity for work; what I do not admire is his ability to listen. He appears to have the hearing equivalent of Nelson's blind eye. He only hears what he wants to hear and he only consults with people who are going to tell him what he wants to hear. That is the problem I think and that is why we are where we are. Why have I directed this proposition at the Minister for Treasury and Resources? Because there is no doubt, absolutely in my mind, that he is the dynamo, he is the driving force behind the Council of Ministers' actions and he, in particular, is the person at whom many of our residents are extremely angry. They are extremely angry because they believe he has broken his promises, in particular over G.S.T. At the hustings he made a clear statement: "I will oppose any rise in G.S.T." That was a promise made on the hustings in the last Senatorial elections. He further made a promise in this House in December 2008, absolutely categoric it was, when he told Deputy De Sousa: "I give a categorical assurance that I will not raise G.S.T. in a recession." Here we are, some 2 years later, in a recession and G.S.T. has been raised by him by 66 per cent from 3 per cent to 5 per cent. There was also a lot of concern about the fact that not only did he force through this change and the timing of it in that it came at the earliest opportunity, the first day after the 3-year moratorium that had been previously declared was up; he brought it in as soon as he could and refused to delay any

implementation of it. Not only that but he also, despite bringing a proposition to take G.S.T. off essentials, he personally opposed that in the face of some other Ministerial wishes, who could see the reasoning behind that, he personally opposed that. By and large, residents in this Island feel that he, the Minister for Treasury and Resources, is responsible for (a) the increase in G.S.T. and, on a wider scale, the reason why we are in such a mess as we are today. The reason why we are in such a mess today, I think, is because the Minister is driven not by economics, which he always protested he is and making economically sound decisions, but by politics. The Minister has said openly that he wishes to transfer jobs from the public sector, and I appear to have had some competition, from the public sector out into the private sector and this way he can grow the economy. But the fact is in imposing G.S.T. and raising the rate, what is he doing? He is taxing private demand and he is taxing it at precisely the point where it must cost jobs; that is jobs in King Street and a decline in the economy. We have seen it in the U.K. where consumer confidence is at an all time low; I believe we will see, and we are seeing it, now in Jersey. What matters is some £80 million of G.S.T. being withdrawn from High Street spending over the next 3 years, when every Keynesian maxim says we should increase demand to lift employment. This is going to be all the more important as we are seeing a rise in food, fuel and commodity prices; this impacting, it is hurting many of our residents. £26 million a year, in a full year, in G.S.T. is a move in the wrong direction, at the wrong point of the growth cycle and at the wrong place, at the tills, but the central truth in Jersey politics is unchanged. It is far easier to raise £26 million a year with what amounts to a stealth tax on poorer spenders than it is to raise the 20 per cent tax rate, which I describe in my report as sacrosanct. Where are we? There can be no doubt that the Jersey economy is closely linked to that of the U.K. and where is the U.K. at present? The well-established NOP Consumer Confidence Index on 28th January, it is reported here from the *Guardian*, has dropped 8 points this month to minus 29; the lowest level for 12 months and in the 35 years since the Index began confidence has only slumped this much on 6 occasions, the last time in the midst of the 1992 recovery. What is happening in the U.K. economy which, as I say, Jersey is intrinsically closely linked to and usually follows with a small time delay? The bottom is falling out of the U.K. market, how long before it is here? Yet, that slump in the U.K. economy has been brought about by exactly the same moves as we are employing here. V.A.T. (Value Added Tax) went up by 2.5 per cent to 20 per cent on 1st January in the U.K. and in Jersey it will go up by a massive 66 per cent, from 3 per cent to 5 per cent, in June of this year; what is happening over there we risk happening over here. I should just quote one or 2 notable commentators on the economic situation, for example, Christopher Pissarides: "We have just gone through a severe recession and there is still a lot of uncertainty about the housing market and the level of economic activity over the next few years. Unemployment is rising, job vacancies are few. By taking the action that the Chancellor outlined in his statement, raising G.S.T. and cutting public sector jobs, this situation may very well become very much worse. Capital spending is being cut too, yet it creates jobs at a time when they are needed. Overall the Chancellor is putting the economy through some unnecessary risks which do not appear justified and his unwillingness to further tax the well-off is inevitably necessitating more cuts when the jobless need them least." That is directed at the U.K. economy; listen to the words, it could very well be directed at the Jersey economy and the actions of the Minister for Treasury and Resources. One further quote, if I may, and it is from David Blanchflower, a well respected economist and commentator: "George Osborne's Comprehensive Spending Review is the biggest and riskiest macroeconomic experiment undertaken by any advanced country in living memory." But I cannot claim that Jersey is the biggest experiment but it is certainly an experiment which is, I believe, one of the riskiest. That is the political direction which we are taking. In order to justify his actions the Minister has repeatedly told us, in various forms, that G.S.T. is not regressive. He has told us in a consultation paper that it is only mildly regressive. He has tried to argue that the I.F.S. (Institute for Fiscal Policy) has produced one paper that says it is not regressive. In fact it is regressive; we have a G.S.T. which is more regressive than the U.K.'s and the U.K.'s, according to I.F.S. figures, has 5 times the impact on the poorest compared to the wealthiest: 5 times and we have got a form of V.A.T. - our G.S.T. - which is more regressive than

that. There is no sign of recovery and I keep asking the Minister for Treasury and Resources for any hard and fast signs that we are into the recovery. Time and time again; I must have asked him about 4 times, the last time was a fortnight ago: "Point me to one sign that says we are in recovery" and he cannot. Comparing with the U.K., are they in recovery yet? No, they are hitting the pits. The bottom has fallen out of their market in terms of trade. There is no sign of recovery and yet the Minister pursues his line, which goes in the opposite direction to the ultimate maxim of what to do when your economy is in recession; you do not cut until you have got clear signs of recovery. We are putting our economy extremely at risk; there is no sign of a recovery. But how did we get here? How did we get to the state where we needed to impose G.S.T.? How did we get to the state where we needed to raise G.S.T., despite promising not to? We got here not only through the recession, which has reduced our income and revenue, we have got here through Zero/Ten. The Minister denies it time and time again but in doing so he is misled. There is no doubt, when we look at the figures, one of the reasons why we are in the state we are and where we are is the decision to go for Zero/Ten. The Minister was Assistant Minister at Treasury before he was Minister and has been deeply involved in the decision to go for Zero/Ten.

[15:30]

I will just remind Members, although perhaps we have had enough of that this morning but we had plenty on it, what the first 3 criteria are on the E.U. Code on Business Taxation and why it was inevitable and the advice was, way back in 2005, that Zero/Ten would not comply with the European Code on Business Taxation. Criterion 1 says you have to assess: "Whether advantages are accorded only to non-residents. The zero per cent effective tax rate for Jersey profits was considered to be *de jure*, only available if the Jersey company that realises the profits had non-resident shareholders." That is Criterion 1. Criterion 2, you have to assess: "Whether advantages are ring-fenced from the domestic market, so they do not affect the national tax base." Again, that is absolutely true. This comes from the Chief Minister's background to Zero/Ten: "The Commission was of the opinion that the combination of the Zero/Ten regime and the deemed distribution provisions for resident individuals was designed to offer a zero per cent tax for business profits of foreign investors while ensuring proper taxation of existing domestic business profits and important domestic revenue generators were protected. Jersey, in the view of the Commission, had thus protected its domestic tax base against the effects of Zero/Ten's business profits tax." Then finally, Criterion 3, we have to assess: "Whether advantages are granted, even without any real economic activity and substantial economic presence within the Member State offering such advantages." Here is a reference back to what were the exempt companies - the EXCOs - and that now are subject to zero tax and at the heart of our problem. The Minister keeps saying that Zero/Ten brought us taxation stability, it did not; it did the opposite. It has brought us prolonged and lengthy instability, which we have seen this morning, culminated in the Minister saying: "Well, it is only about deemed distribution and attribution and we will simply withdraw that. That will leave us with a hole in our tax base but never mind, we will do without." The black hole is becoming bigger because of the actions of the Minister for Treasury and Resources. The Minister has consistently said that it is only a minor problem; it is just deemed distribution that is objected to. I remind Members that it is not just deemed distribution that is objected to; it is Zero/Ten itself. The message from the Treasury press release, most recently, said the following: "The E.U. Commission's evaluation focused on the operation of the Zero/Ten regimes as a whole, not merely the deemed distribution and attribution provisions in isolation. The E.U. Commission considered that taken as a whole the systems, the Zero/Ten systems, were designed to offer a zero tax rate to foreign investors, although some sectors are not taxed at the zero rate, while avoiding residents benefiting from the zero per cent tax rate." I repeat again, because we are getting the same message from the Minister for Treasury and Resources, and this message is not to be trusted. The E.U. Commission's evaluation focused on the operation of the Zero/Ten regimes, both ours and the Isle of Man's, as a whole, not merely deemed distribution. Yet here we are getting the similar line from the Minister saying: "It is only a small problem and it is only deemed distribution." It is not; we are



still, I believe, in deep trouble. Why then is the Minister in that position? Stuck, desperately clinging on to G.S.T. and Zero/Ten or deemed distribution will be the solution and that now we are okay. Why? Because the Minister decided before he was to have his consultation on personal taxation that, whatever the outcome, he was going to support a 20 per cent tax rate; he would not raise it. He said that at several times during the consultation process. He said that he was against any rise in personal taxation rates and he steadfastly opposed any consideration of them. The consultation itself was a limited affair. The Minister for Treasury and Resources said: "I have consulted with over 1,000 people as a result of this consultation process" but it was a flawed consultation process. The question is why is the Minister for Treasury and Resources so stuck on G.S.T., despite the advice that was given way back in 2002 by Oxera, our advisers at the time, when they said when reviewing the overall options for tax changes way back then, almost a decade ago: "There are many ways in which the additional tax burden could fall, both within the large structure; neutral, progressive or regressive and relatively advantaging or disadvantaging particular groups. The limits at which tax avoidance will become a serious consideration do not seem to be approached, at least within the range of generating £50 million per year of tax revenues. Thus, within quite large limits, the choice of large scale structure of the tax burden seems to be largely political and not economic." What we are being persuaded by this Minister for Treasury and Resources now is that these decisions are economic and in the best interest of the economy when Oxera suggested that even up to raising an additional £50 million the decision was purely political and not economic. That is how we got where we are today and that is why we are in the pickle that we are. In his response, when he proposed the possibility of raising income tax, which he did, a rise to 30 per cent, he clearly said, would raise up to £30 million. He failed to mention that in order to do so he would have to change the Income Tax Law because what he was proposing, as soon as you have got a higher rate, discriminate against married couples as distinct from people living together. His consultation failed to notice that until people he was consulting with pointed out: "But does this not mean that you are discriminating against married couples?" I do not know what the answer was, I certainly have not heard a clear answer on that at all but, nonetheless, what it meant was he was consulting on a faulty proposition and it soon became clear that the consultation process was deeply, deeply flawed. You cannot put up 4 options, and then one of them is spotted as flawed and carry on with your consultation on the other 3 and think that the results are meaningful. Of course they are not because many people spotted the flaw and therefore obviously would not have gone for it. Who did he consult with and what were the results because we have seen some summary statements from Involve, the company that ran the consultation, but they really are quite unspecific? If Members will bear with me: "Income tax has really divided those who took part in the consultation. More people felt this would be bad for business than those who felt it would be bad for Jersey as a place to live and work. The question elicited the highest number of positive views of all options from those who responded via the electronic questionnaire. Views were divided between those who were very concerned about undermining Jersey's international competitiveness and felt the 20 per cent tax rate was part of Jersey life and those who felt that the wealthy are currently paying less than their fair share towards public services." Then in terms of the organisations that submitted responses: "It has been difficult to draw comparisons between different types of organisations because most of the more detailed responses came from finance-related groups and companies and far fewer from retailers and others." The conclusion there is the finance sector, as ever, got their act together and submitted their contributions and there were very few from other sectors in society. Lo and behold, what tax does finance not pay, because it exports all its services? It does not pay G.S.T. What sector in the economy has the greatest salaries? The finance sector and they will be most affected by a rise in income tax. Who would be most affected by a rise in G.S.T.? Why, the retailers and others who do business on the Island. They would pay the G.S.T. Do they have high salaries? No. Surprise, surprise, the result of this flawed process was that: "We are not going to raise income tax; we are going to raise G.S.T." It was a decision that many people out there think was a preordained one. The consultation process again, as with many consultations on this Island, was extremely flawed and many would call it a farce. Then we

come, of course, to the other arm of the policy, which is the Comprehensive Spending Review and the cuts, and last night, in preparing for this today, I was just glancing through just one section of Health and Social Services: physiotherapy services reduced. We have restored the hydrotherapy pool but physiotherapy services reduced. Services for mental health reduced; frontline services. Are stress rates going up? We saw it in the *J.E.P.* not a week ago; stress rates going through the ceiling, we withdraw mental health services. Given the economic situation we have seen alcohol consumption rates, again, going up through the roof. What have we withdrawn? Two positions in alcohol services. Absolutely disastrous and despite the Minister for Treasury and Resources' assurance all the time that he is not going to let it affect frontline cuts; it is about more efficient delivery, it is about honing-down the services that we can and cannot deliver, here we have, just in one sector alone, absolutely frontline service cuts and people being made redundant at a time when the economy is still in recession. Finally, the latest thing that we have to negotiate apparently over the coming year, and the process has just started, is the Terms and Conditions Review and the Steering Report from the body that conducted that with Tribal. Here we are talking to absolutely dismantle it, of terms and conditions that have been set up over years of patient negotiation and concession.

[15:45]

When push comes to shove the Minister for Treasury and Resources said: "I will have, in the next 2 years, something like £14 million worth of cuts that will come through changes to terms and conditions" and he says: "If I cannot negotiate them with changes to overtime rates, with changes to pension, with changes to sick pay, with changes to maternity leave, then it is possible that I can get £14 million out of 2-years' pay freeze", that is the prospect. Already this Minister for Treasury and Resources imposed a one-year pay freeze 2 years ago, and I am sure that is the hidden agenda, now he proposes a possibility, certainly, of a 2-year pay freeze. The end result of this, I believe, is that members of the public out there feel extremely cynical about any promises being made by this particular Minister for Treasury and Resources and feel very angry about the actions he has already taken, and 10,413 of them were very happy to sign a petition that said: "We, the undersigned, petition the States of Jersey to request the Chief Minister to bring a proposition asking the States to dismiss the Minister for Treasury and Resources." I am bringing that proposition today. Thank you.

#### **The Greffier for the States (in the Chair):**

Is the proposition seconded? Is the proposition seconded? **[Seconded]**

#### **9.1.1 Senator T.A. Le Sueur:**

I will only speak briefly on this proposition, though I consider this proposition to be ill-conceived, erroneous and without foundation. It is based on a petition which is arguably misleading but which, in any case, is based on flimsy foundations; so flimsy in fact that the proposer in his speech ranged all over everything that this Minister for Treasury and Resources and the previous Minister for Treasury and Resources and the Finance Committee have done for the last 10 years, as far as I can see, not particularly related to the reasons set out in the petition. During this term of office the Council of Ministers has formulated and agreed policy proposals, which they have then lodged, debated and had agreement by the democratic majority of States Members. Those policies build on the sound foundations which the Council of Ministers sought to provide and which, again, States Members have confirmed are sensible and realistic. It would therefore be totally illogical and unreasonable for me to recommend or even consider recommending that the Minister for Treasury and Resources, a member of the Council of Ministers, should be dismissed for promoting the policies of the Council of Ministers; policies which the majority of the States subsequently approved. It is not necessary for me to go into whether those who signed the petition all knew what they were doing. I know that there are some, including Deputy Southern, who disagree with the policies the States have adopted. He and they may feel that those policies need to change. The way

to do that is by bringing amendments and the Deputy has always been at the forefront promoting amendments, and that is the right way to go about these things. Whether those amendments are accepted or rejected they are democratically debated on the floor of this House; that is the strength of this democratic Assembly. The Minister for Treasury and Resources is doing no more and no less than implementing the policies which the States have agreed so recently. He does so with my support and that of my fellow Ministers. He has that support because he is carrying out the democratic wishes of a majority of this Assembly. I see no point in going on at further length, I can only suggest to Members that they throw out this ridiculous proposition. **[Approbation]**

### **9.1.2 Senator P.F. Routier:**

The proposer of this proposition started this debate by reading out the opening comment at the top of the petition, I think to try and justify what he is trying to do today. Then he went on to read the actual prayer, which is the basis for this debate. He then went on to give us his views of the economic position; he is entitled to that, of course he is, we are here in a democratic Assembly and everybody has a right to their views and come to the decisions that they want. But what he does not seem to recognise is that his views and that of his party are not the real view of life. The Deputy does not like our clear democratic decisions, which have been made by this Assembly. The basis of this debate is from a flawed petition and I am speaking for one reason only really, that I have had people speak to me; I have had one lady who phoned up who was quite distraught that she had been misled by the people who were collecting the petition. They were calling out in the street: "Come and sign this position against G.S.T." and I am afraid she felt cheated by what happened to her. She wanted me to make it very, very clear that if she had known that the petition was to dismiss any Member of this House she would not have signed the petition. She also asked me say that she did not agree with G.S.T. and G.S.T. going up but as far as the petition to ask for the dismissal of a Minister or any Member of this House she would not have signed the petition. She also went on to say that although there was a suggestion or a request that any Member could get in touch with the organisers of the petition to say they could have their name taken off she said she would not do that because she did not trust them to do that. She felt that this was something that she could not do, so she did not have her name removed from the proposition. There were a number of people who said to me that they saw that there was this caricature of Senator Ozouf as Pinocchio; well they were quite disgusted at that but, on the other hand, they thought that perhaps the J.D.A.'s (Jersey Democratic Alliance) tactics have shot themselves in the foot because it was really them that should be a caricature as Pinocchio. I am not going to comment on that; that is just what people have said to me - that is for you to make your own mind up about - but certainly the flavour of the comments that the people have made to me is they do feel cheated by that petition. I have to say that there are a number of people who have commented to me that they would be very, very sorry to lose the skills and the talent of our current Minister for Treasury and Resources. He is very, very able and I believe that we should support him in continuing to do the job that he is doing for us, which we have entrusted him to do, and it is the democratic decisions that we have made in this House which he is carrying out. I hope this will not be a long debate because it is not a debate worth having.

### **9.1.3 Senator F.E. Cohen:**

Senator Ozouf is one of the hardest working men I have ever come across. I have met a few very hard-working women as well but he is the hardest working man I have ever met. It does not necessarily compare with a housewife, but in terms of a Minister he works extraordinarily hard as even, I am pleased to see, Deputy Southern was prepared to admit. He has an extraordinary knowledge of the financial services industry, both at local level and at international level and he is respected in many jurisdictions outside of this Island. I can tell you from my experience of meeting others with him from out of the Island he is a wonderful ambassador for our Island. He is, strangely, often portrayed as only being a moneyman; of someone who only deals with financial matters. However, I can tell you from my personal engagement with him that he is a very caring individual who does a great deal for the community but, unlike many, he does not blow his own

trumpet. I was struck recently at the extraordinarily unusual position we are in; yes, we have some problems but we have £600 million in short-term funds and that is virtually unique in any non-natural resource-based jurisdiction. The comparison with the Cayman Islands, which I was recently presented with, is intriguing. They have a similar accounting differential but the difference is that they are in debt and we have money in the bank. This is due to the principles of prudence and careful management, steadfastly pursued by Senator Ozouf, Senator Le Sueur and his predecessor. They have together presided over the development of an internationally recognised secure financial services industry that provides the amazing sum of £200 billion in short-term liquidity to the City of London and that is about providing confidence in the marketplace. Members will not like everything that has been done but they have managed our finances in an exceptionally competent manner. Senator Ozouf takes tough decisions; he puts the interests of the Island above his own personal popularity. It was not easy for him to drive through the fiscal stimulus package but he did it because he knew it was right for the Island. It is not easy for him to drive through the C.S.R. to save £65 million out of our budget, 10 per cent, but he has steadfastly pursued it and I assure you he will deliver it and the Island will be grateful for the measures that we have all been party to, but led by Senator Ozouf. How this can translate into effectively a motion of no confidence is quite beyond my comprehension and from the many Islanders I have spoken to it is quite beyond theirs as well. This proposition is mischievous and insulting and I urge Members to throw it out.

#### **[Approbation]**

#### **9.1.4 Deputy P.V.F. Le Claire:**

There is of course a far greater fundamental problem with our Island than a petition that may or may not have been misunderstood by people signing it and that may or may not be mischievous; in the words of the Minister for Planning and Environment, when brought by a democratically elected member of our society. I would like to talk briefly about what is emerging to be a recognition of a fundamental problem and, funnily enough, it comes from the chief of the International Monetary Fund, a French politician by the name Dominique Strauss-Kahn. "Strauss-Kahn is giving speeches warning that inequality was a major cause of the financial crash and arguing that workers must be given greater bargaining power and a greater share of the world's wealth, if the crisis is not to be repeated. Ordinary people need more money, better social safety nets and decent jobs. This is remarkable stuff coming from the chief executive of an international organisation, which has spent most of its 60-year existence preaching the virtues of a free market and being thoroughly indifferent to the resulting gulf between the rich and the rest. For decades the I.M.F. (International Monetary Fund) enforced ruthless policies on any country needing its loans, demanding that countries cut subsidies to the poor, cut public services, sell State's assets and leave the markets to decide on who should win and who should lose. Now the organisation is surveying the international chaos caused by unfettered power and warning that capitalism must operate differently, 'This economic recovery is thoroughly unstable; it is not the recovery we wanted' he said, 'It is a recovery beset by tensions and strains which could even sow the seeds of the next crisis'. He cited the riots and protests in North Africa in his speech last week in London ..."

#### **The Greffier of the States (in the Chair):**

You are getting to the proposition about the Minister, Deputy, are you not?

#### **Deputy P.V.F. Le Claire:**

I am getting to the fundamental part of the problem, Sir, which is the distribution of wealth and the setting of taxes ...

#### **The Greffier of the States (in the Chair):**

That is not the issue; the issue is whether the Chief Minister should lodge a proposition to dismiss the Minister for Treasury and Resources. As long as you are getting there; we were not discussing the economy of the world or of Jersey.

[16:00]

**Deputy P.V.F. Le Claire:**

“He cited the riots in North Africa as just one example of disorder and civil war that might now result if the world did not deal with widening wealth gaps and a lack of jobs. The I.M.F. is not making a sentimental argument here or even principally a moral one. Its analysis of the problem is a hard-headed one, based on international data and on work done by its modelling unit and published at the end of last year. The growing gulf in wealth is a global phenomenon but the unit looked in detail at what happened to inequality in the United States, since that is where the financial crisis began. Put simply, the vast majority of the population had lost out on the huge increases in wealth over the past 30 years; a tiny minority at the top had become a very much richer minority, everyone else finding real wages flat-lining while the prices of essentials like housing soared and they had turned to borrowing to keep their incomes up but increasing debts cannot be sustained for ever when people are on stagnant incomes. Eventually those debts catch up with individuals and they cannot afford to keep up their interest payments, let alone repay what they owe. An eventual crash becomes inevitable when the mass of the population is using debt rather than wage increases to fund expenditure. The pressing question is why the majority of the population in a democracy have been willing to allow the rewards for growth and increase productivity to go so overwhelmingly to the very few. The figures are astonishing: in 1976 the top 1 per cent of American households earned almost 9 per cent of total income; by 2007 their share had gone up to 23.5 per cent; from 9 ...”

**The Greffier of the States (in the Chair):**

Deputy, I am sorry to stop you but reading extensive extracts from the newspaper; I am really struggling to see the relevance for this debate. Can you please tell us what is the relevance you are coming to? Can you perhaps pre-empt what you are coming to so at least we know where you are going? What is the point you are getting to in relation to the relevance of this proposition?

**Deputy M. Tadier:**

Sir, can I seek clarification of the Deputy, if he will give way? Is the Deputy essentially saying that he is talking about equality which is an integral part of the Strategic Plan which we, as an Assembly, have made a commitment to? Is that what the Deputy is getting at?

**The Greffier of the States (in the Chair):**

Deputy, there is no need to clarify his speech. Please carry on, Deputy, if it is clear what you are getting to but Standing Orders say speeches must be relevant to the proposition being debated.

**Deputy P.V.F. Le Claire:**

I believe it is relevant, Sir. I believe that the proposition is before us today because it has been signed by 10,000 people that feel in the recession the last thing they needed to have happen to them was have taxes levied upon them when the rest of society is not paying a penny and some companies are not paying a penny to the situation that we are in. I am going to take a view as to how I vote on this at the end of what I have got to say but I am trying to broadcast a middle-ground speech to give people in the Assembly, who are just totally not listening to me. Unfortunately this is not me, this is the chief of the International Monetary Fund who, if he was in Jersey today, we would all be wining and dining. These are his words, not mine. This is the International Monetary Fund’s analysis of the situation but not mine, and I am trying to use that to identify that the reason and the rationale behind the Deputy bringing his proposition is not mischievous, in the words of the Minister for Planning and Environment; it is a cry from the streets to the States of Jersey to make them realise that out in the streets, I am sorry to say this, far beyond the understanding of most States Members, it is extremely difficult if not nearly impossible to survive these days. The price of an average house is £500,000 which to most States Members who have houses is good news but for most people who do not have houses it is absolutely killing them. It is killing their dreams and

it is killing their enthusiasm and it is killing their will to live and I am trying to set out what I see as the problem in our society, as identified by the head of the International Monetary Fund, and if we take cognisance of it perhaps we can have a more unified and united community, a more unified and united States of Jersey and a more progressive answer to the problem, Sir.

**The Greffier of the States (in the Chair):**

All I am trying to impress on you, Deputy, is that the debate today is not about the faults of the economy of Jersey, the debate is about whether the Minister for Treasury and Resources should be dismissed from office because he is clearly not, in some Members' views, suitable for the job.

**Deputy P.V.F. Le Claire:**

I appreciate that, Sir. It is not every day we have a proposition like this and it is not every day that I make a speech like this, Members will be glad, but I will press on if I am allowed. I will cut some out. The journalists went to a political meeting to see whether or not the minimum pay should be raised by 20 pence or 40 pence an hour at a Chelsea mansion where the owner, who was speaking to a friend next to her, said: "Well I am thinking about buying the house next door" and the other guest said: "I always make it a rule to buy the house next door because then you do not have to worry about the neighbours." I think that this is the divide that we are seeing in society; not only in the U.K. and in America these days, the divide between the very wealthy and the ordinary people that is now mutating in Jersey. It goes on to conclude: "Anyone who is not part of the super-rich is likely to find these constraints painful. The I.M.F.'s objection is principally practical and that is what may give it such weight. Economies as unbalanced as these, where ordinary people are getting a shrinking share of wealth and have to borrow to compensate are going to fall into periodic and extremely expensive crises. It is much cheaper for the world, says the I.M.F., to have fairer taxes and incomes and more redistributive policies in the first place. Inequality has been off the political agenda for 15 years. The Labour Government was famously intensely relaxed about people becoming filthy rich. The Coalition has at least set up a Fair Pay Review, limiting bosses pay in the public sector to 20 times their lowest-paid employee. It is intended to be a model for the private sector too but it will not be enough. Where do we start? At first simply by recognising that the I.M.F. is right and that there is a real and urgent problem here." That is the problem; it does not matter who is saying it. It does not matter what they are saying, if it is not: "La, la, la, la, la, we are all behind Philip" then it does not matter. That is the sad part of it because I do agree; Senator Ozouf is one of the hardest working politicians in the Assembly and so is Deputy Southern. What are we trying to achieve? We are trying to achieve a better Jersey. The people who have signed the petition have signed the petition in the vast majority, knowing full well what it said, to send a message to the States Assembly and Deputy Southern has brought it. I am sorry, I cannot support this proposition in its singularity because I think there is a lot more blame needed upon the Council of Ministers as a whole, and I do not mean it as individuals because I do like the vast majority of them very much as individuals, but collectively I think their job of work has been appalling. In the round it has been secretive, it has been unproductive, it has been unimaginative and it has been certainly unfair in its distribution of who carries the burden. I have reflected on this for weeks, I cannot support this proposition and I also cannot endorse, by voting against it, the actions and the choices that have been taken by this Council of Ministers in just looking at the quick solutions and also, moreover and most importantly, not accepting since 1999, when I came to this Assembly, we all knew there were problems with our taxes and we all know that there is competition out there but we have striven to keep one eye on the finance industry and ensure that it is fine while we turned our back on our own community. I am not going to support, I am sorry to say, Deputy Southern, but I am also not going to vote against him and give a rounding ring of endorsement to the Council of Ministers through the Chief Minister and Senator Ozouf. Then there is the reality, is it not? We are going to ask Senator Le Sueur to get rid of his best friend and pal, the Minister for Treasury and Resources, Senator Ozouf. It is like asking Tom to get rid of Jerry or Little to get rid of Large, it is just not going to happen. It is a definite double-act and it would be suicide for either of them.

**Senator F.E. Cohen:**

Sir, as a point of clarification the Deputy clearly has not watched too much Tom and Jerry because Tom would be delighted to get rid of Jerry. **[Laughter]**

**9.1.5 Senator T.J. Le Main:**

I am absolutely ruddy mad at this proposition.

**The Greffier of the States (in the Chair):**

Senator, please.

**Senator T.J. Le Main:**

Ruddy is a nice word, Sir.

**The Greffier of the States (in the Chair):**

It is not a parliamentary word.

**Senator T.J. Le Main:**

My grandchildren use it, Sir. **[Laughter]** But, Sir, before you tell me off I would prefer you look it up in the directory.

**The Greffier of the States (in the Chair):**

I would rather you did not use it here.

**Senator T.J. Le Main:**

I have known the Ozouf family for nearly 70 years. I have worked from the start of his political career, when Senator Ozouf was then Deputy of St. Helier and he served on the Housing Committee with me; he and I fell out in a big way when I asked him to leave the Housing Committee **[Laughter]** because of our differences of opinion. What I hear today, which has been described by the proposer, is not the Senator Ozouf that I know of today. I know and in recent years have worked with Senator Ozouf as a caring individual. The majority of Members supported the policies that the Senator has been running with and making sure that they were dealt with; policies that the Jersey Demolition Alliance, all 10 members, do not like. I know who I would trust. The proposer of this ill-founded ridiculous motion stood for Minister for Treasury and Resources and got 13 votes. He stands for everything, Deputy Southern, but gets nowhere; gets nowhere at all. His ridiculous Jersey Demolition policies are getting us nowhere but wasting time and time and time. Only recently I met a Labour M.P. (Member of Parliament) who had recently had some dealings with the Treasury officials in Jersey and, in particular, Senator Ozouf. I will always remember him saying to me that he wished they had had a Senator Ozouf in the last Labour Government. **[Laughter]** Senator Ozouf is highly regarded, as ably said by Senator Cohen, internationally by the finance industry, by the worldwide people that deal with finance in Jersey. I just think this is another absolute waste of time. I will be surprised if Deputy Southern gets 10 votes because quite honestly this is absolutely ridiculous, it is making fools of this Assembly, it is making fools of those people that signed that petition believing that they were signing for G.S.T. and all I can say is this proposition is another mouthpiece for a bunch of lunatics who call themselves Jersey Democratic Alliance.

**The Greffier of the States (in the Chair):**

Senator, you cannot include in that a Member of the States ...

**Senator T.J. Le Main:**

Sorry?

**The Greffier of the States (in the Chair):**

You cannot refer to a Member of the States as being part of a group of lunatics.

**Senator T.J. Le Main:**

Sorry, I did not hear that, Sir.

**The Greffier of the States (in the Chair):**

I think you did, Senator. You cannot refer to a group of lunatics including a Member of the States.

**Senator T.J. Le Main:**

No, I did not include the Member of the States, Sir; a bunch of lunatics outside I have said, Sir; a mouthpiece for a bunch of lunatics.

**9.1.6 Deputy M. Tadier:**

One of the dangers of speaking too early is that you miss all the gems like that and you cannot come back on those. I would say somewhat tongue in cheek that is probably the problem of the last Labour Government is that they had too many of the capabilities of Senator Ozouf and one of whom was called Tony Blair, and I do not see much difference but we are not here to debate U.K. politics so let us get back into the question in hand. Deputy Le Claire was, I think, correct in some of the thoughts that he was trying to crystallise and I would like to perhaps further crystallise those and also just bring up some other arguments that have not been necessarily considered yet.

[16:15]

First of all, however, I think we need to discuss this idea of personality politics because clearly we have a system which is non-party, at least in theory, and that leads to all sorts of complications. We know under any other system, if we had party politics operating in Jersey, clearly there would be no point in Deputy Southern bringing a proposition of this nature because he would know one way or the other whether it is going to succeed or not. I think if we are honest as well we know what the result of this will be, although we do not know the exact amount of votes that will be cast one way or the other. I think the argument that needs to be counted first of all is simply, because we know that this is not going to succeed today and because the Minister has been elected democratically by other Members in this Assembly, this is a waste of time. But I would suggest that that is not the case. No one in this Assembly has the monopoly on democracy. Just because the Minister was elected by States Members, that does not necessarily mean - and I would suggest it is the case - that he has the confidence of the public. So I would suggest he does not have the confidence of the majority of the public. Again, no way to prove that; that is not verifiable, but we all go from those to whom we speak on the street. We have all been elected, I think, for the majority - although there are some who have not faced a contested election, but I think with one or 2 exceptions - we have been elected on minority votes and some of us have been elected on a minority of a minority. I have focused on this point before: that most districts or certainly a lot of districts in the Island, including the Senatorial elections, have less than 50 per cent turnout. Within that, on the first-past-the-post system, we do not need an absolute majority to get elected. So we can get elected sometimes, some of us, on 40 per cent of a vote, which may only represent 40 per cent of the turnout in that constituency. So to say, by any means, that this States and the Ministers that we elect ourselves are representative of the public is, from a starting point, completely nonsensical. It may or may not be true but it certainly does not follow. So it is correct, from time to time, when I feel that there has been a shift, when a particular Minister has stood both for the States on a particular premise ... and the premise which we have heard was: "I will not raise G.S.T. to the extent that I can give a categorical assurance." It was not: "I will not raise G.S.T. unless circumstances turn out, unless I get given other advice." It was: "I will not raise G.S.T. and that is a categorical assurance." It is reasonable that anybody who goes to the poll would expect, apart from under very extreme circumstances, that that would be honoured. It is also the case that States Members, having elected Senator Ozouf more than 2 years ago now - I think it was in November 2008 or December - were told that ... we elected him, some of us, on the premise that he would not



be increasing G.S.T. So it is quite correct for Deputy Southern to at least put the finger in the air to see which way the wind is blowing; to go to the public, albeit in the form of a petition, to deal with G.S.T. but also quite clearly stating that it was to ask for the removal of Senator Ozouf to do that. I have heard a suggestion here that it was not clear, so I will address that. While I was by no means the instigator of the petition, I did help out on occasion to collect signatures and this myth ... certainly from my point of view, every time I stopped somebody to get a signature I said: "This is a petition. We are asking for Senator Ozouf to be removed as Treasury Minister." Now, for the most part that did not cause a problem. Indeed, there was a one French guy, a young lad, probably about my age, who initially said: "I am not going to sign this petition. It is a complete waste of time." I said: "Well, hang on; it is not primarily to do with G.S.T. We are asking for Senator Ozouf to be removed." At which point he turns on his heels and said: "I will sign that." He did not want another G.S.T. position to be taken, only to be ignored with 19,000 signatures, but he was quite happy to sign this particular proposition because, in his opinion, it sought to achieve something which had not been done already. That said, there were a couple of occasions where I told people: "We are asking for the removal of Senator Ozouf," and they said: "I cannot sign that." One did not give a reason. The other person said: "I am quite sympathetic but, because of my husband and who he is, I cannot sign that proposition." That is fair enough. So I think certainly my conscience is clear. Whether or not it could have been more explicit I do not know, but it was written there clearly and I think to suggest that the public will sign something without reading it is to do a disservice to the public. Most people, I am sure, will have read it and will have known exactly what the petition was about and what they were signing up to and that is due to the excellent coverage that was given in the *J.E.P.* So let us dispel this myth that those who signed-up ... and I think there were 65 who asked for their names to be removed out of about 10,000; so that is not bad going, although it is not my place to defend that particular ...

**Deputy G.P. Southern:**

Will the Member give way? On a point of correction, that is 59.

**Deputy M. Tadier:**

I appreciate the correction. It is a ballpark figure. This idea about the cartoon: I would say to Senator Routier, who has had to pop out, that caricatures have existed for a long time. If you look back to the 1800s, I am sure we all know John Bull and it is a powerful tool which is used and it has been used both against Senator Ozouf and against myself, I recall, from Channel TV. One just gets on with it. One has a laugh because that is partly how the media and how the public sometimes relates to politics. A picture paints a thousand words and I think it is best that we do not take ourselves too seriously. But the point, I think, that Deputy Le Claire was correct in voicing was to do with equality and, as I mentioned when I stood up trying to perhaps spur the Deputy - and I hope he does not mind me trying to be helpful - the Strategic Plan clearly states, and it is something that we adopted as an Assembly, that there would be a move to greater equality. Now, we all debated thoroughly. We were not sure to what extent we wanted greater equality, but we all agreed that equality is a good thing, by and large, and that should be one of the foundations on which the Strategic Plan was based; yet what we have done as an Assembly over the last year and over the last few years is exactly the opposite. We have seen a freeze in wages. We have seen a scenario out there where inflation is still going up and we have imposed a wage freeze. We have seen the money in your pocket goes not as far as it used to. I was joking to somebody that Jersey must be the only place, in the U.K. certainly, where you can buy bread in Poundworld and we consider that is a bargain. I mean this is the kind of Island that we live in and it is the kind of Island which is increasingly under the impression that Government is detached from the real world of what the public are facing. So to bring it back: I think it is unfortunate that this is being portrayed as a personality thing because I do not think that is the case. In one sense it is an indictment or an attempted indictment on all of us, as Government and the Council of Ministers in particular, because we are becoming increasingly detached from the public. Of course, there are other issues;

I think one could go on. These are my last 2 points and I will try to keep it brief. At one time in the past finance was here, we had tourism before that and there was a feeling that in fact it pretty much paid its way. There was always an undercurrent. There was an element of society who had their qualms about finance but we realised, at the end of the day, it was providing a fairly good standard of living for many of us. There is an increasing feeling - I have been subjected to it from constituents - that that is no longer the case; that now we are in a scenario where the public, in particular when they see a certain company which is paying zero per cent tax trading in the High Street alongside another one that is paying Jersey tax and also providing jobs ... there is an uneasiness about that. Many members of the public that I deal with feel short-changed by this set up. They feel short-changed because they feel that finance is no longer paying its way and business in general - it is not fair to just single out finance - is perhaps not paying its way in the way it should be and that the Government's prioritisation of finance-related law and propositions is taking place at the expense of social legislation and provision. I know these are more general criticisms but at the end of the day it is Senator Ozouf who holds the purse strings and, certainly from our panel point of view on Home Affairs and Education, we are disappointed that the likes of the Discrimination Law, which has a vast impact across departments and also in society, is really being put on the backburner because the Minister for Home Affairs is saying that he does not have the resources and the law drafting time allocated to him because we are putting through C.S.R. cuts at a time ... and I am sure I could go round every department and, if they were honest, they would say: "We want more money; we need more resources; we need more staffing." Clearly it has been given to the Department of Health and Social Services, but that is not the case across the board. That is not to say, by the way, that I do not believe that efficiency savings can be made. Clearly they can, but the 2 are not synonymous. So I would say there is that issue. Lastly, I think, if Members are honest themselves, there is more of a Machiavellian approach to Government that Members and also members of the public are not particularly liking. Deputy Le Fondré is not here but I think that the whole scenario ... and one is not here to question or to prejudge what his motives were but there seems to be a sense in which there were backdoor deals done and in which somebody was simply ousted. Deputy Le Fondré and myself are pretty much polarised politically, I would say. It does not mean we do not have areas of agreement. But I can certainly recognise Deputy Le Fondré as somebody who is very competent and who is an asset, I think, as Assistant Chief Minister and also at Property Holdings with my dealings I had with him. I think that somebody was got rid of and it was not even a States' decision, the way it was set up purely for political reasons. I suspect, and Senator Ozouf will have a chance to come back on this, that he is simply trying to set up an entourage around him because he knows that potentially in December he is going to be standing for election as Chief Minister and he is simply trying to bolster his support from within. That is not support which I think is manifest from the outside. So clearly we have been limited here. We are limited by procedures. One potential criticism: I would ask Deputy Southern why it was launched in this way rather than bringing a vote of no confidence; although I do accept that essentially it amounts to the same thing. I would say: people, listen to your constituents. Even if today you feel bound not to support Deputy Southern, I think it is increasingly important, in our system of first-past-the-post and a system which is imperfect democracy, that we do need to have open channels and open dialogue with our constituents. Please do not dismiss a petition simply because one conveniently says the wording was perhaps not as clear as it could be or that the public were duped. We should recognise that there is an element of society that is dissatisfied with the direction that the Minister for Treasury and Resources is taking us in. That said, I do have sympathy because I do not see Senator Ozouf as the problem. I see him as a representative of a system with which I, and perhaps Deputy Southern, have a problem with and other members of the public also have a problem. So in that sense, the hands are perhaps tied. I would ask Members not to dismiss this out of hand; to give it due consideration and I will leave the speech there.

### **9.1.7 The Deputy of St. Mary:**

I think it is only right that I should speak before the Minister for Treasury and Resources, who I expect will speak in order that he can, in a sense, reply to the debate before the proposer. My comments are basically about the style of this Government. This is a fundamental issue and it is exemplified by the Minister for Treasury and Resources and Ministers and, in a sense, that may be partly why I feel a little bit uneasy with this proposition. Also, I am a nice guy and I do not like saying to people ... well, "on your bike" is a funny expression, is it not? I do not like saying to people: "You are not competent to have this job. Off you go." So I had to think; I really had to think: "Why this proposition?" Just a couple of points first that need to be said before I go on to the main burden of my speech which, as I say, is about the style and the way that this Government operates and, in particular, the Minister for Treasury and Resources. The first thing is obviously the big deception. Deputy Tadier behind me, I think, covered that quite well and so I will not go over that again. Just to remind Members that the phrase "categorical assurance" has now become a joke in this Assembly. If you say "categorical assurance" everybody smiles and laughs and sort of sniggers. That is pretty sad. That is pretty sad, and I think we should reflect on what brought us to that phrase being a joke. I notice the Minister for Treasury and Resources is having a cup of tea. The second issue is really the competence issue over Zero/Ten: "This is not going to happen, this is not going to happen, it is not going to happen" and then it does. I think the proposer covered that pretty emphatically in his speech.

[16:30]

So my concern is the kind of approach we need in public life in this Island now and I just want to indicate to Members just how big the change that we are facing is; the economic change; the change in the way the world is. Then we need to reflect on what style of government we need to cope with that. I am just going to quote to Members an extract from an article by Robert Peston who is not ignorant. He is the BBC economics correspondent and he wrote this well into the credit crunch, on 8th December 2008; so this is after various banks had collapsed. He wrote: "Capitalism is changing in fundamental ways. For many years to come what is happening will affect the relationship between business and government, between taxpayers and the private sector, between employers and employees, between investors and companies." That is a pretty broad-brush set of changes that we are facing. He continues: "Arguably the crisis will turn out to be more significant for us and other developed economies than the collapse of communism. A New Capitalism is likely to emerge from the rubble and although it is impossible to be precise about how the reconstructed economy will operate, parts of its outline are taking shape. What lies ahead can be determined from an understanding of what has gone wrong with the existing model. This, in itself, is no reason for gloom or despair. For many, the New Capitalism may well seem fairer and less alienating than the model of the past 30 years, in that the system's salvation may require it to be kinder, gentler, less divisive, less of a casino in which the winner takes all." I deliberately kept quoting until I got to that sentence: "kinder, gentler, less divisive, less of a casino." That may be the direction that we have to go. It is a long article and I am going to stop there, but the point I am making is those are massive changes and they will impact on Jersey. So we need to just think a little bit how we are going to lead our society through changes of that magnitude. I will take an example; just a simple example of the C.S.R. process or you could link it to the C.S.R. process, although it has not been tabled yet by the Minister for Education, Sport and Culture. Imagine that he is looking at the question of sixth form provision in the Island. I know we visited this before; 10 years or so, or was it 15 years ago? If you had a blank slate, would you teach very tiny groups of academically-minded youngsters or would you put those groups together in some form of sixth form college? Now, you might conclude that the second option would be cheaper, would provide a bigger range of courses. You might conclude that it was the better option but you do not ram it through. You have a genuine debate. You explore the alternatives. You state the financial implications and you state them honestly, otherwise you cannot have a debate. You cannot have a discussion. Everybody would be thinking: "But I do not believe that. I cannot believe that." You do need a degree of honesty to get the changes that are required, that might be required, accepted

and the people feel part of the change. Now, that is a case study and I have shown how wide the issues are that we face and the transformation of society that will be required. I believe that we are facing a time where lower consumption on the part of each individual is going to happen. It does not mean a lower quality of life, but lower consumption is going to happen. We are proud of our Overseas Aid Commission. We are proud of the help this Island gives to poor communities. One of the corollaries is that the poor are going to consume more and rightly so. In fact the Minister for Treasury and Resources himself, in answer to a question I posed a year and a half or so ago, said that growth for poor countries is important and he is quite right. The corollary of that in a finite world is that we consume less in the rich world. That itself is a challenge that we and our society and our residents have to face together. If anyone doubts that the poor will consume more and that will have an impact on our consumption they only have to look at food prices, which have largely been attributed to the fact that the Chinese and the Indians are rapidly moving from extreme poverty to not so extreme poverty. They have vastly expanding middle classes who are eating more and they are eating from the same global food basket as we are. That will mean that our food in our supermarkets will be more expensive and that will mean that we will have less disposable income. We have to face that challenge together.

**The Greffier of the States (in the Chair):**

You are getting ...

**The Deputy of St. Mary**

Yes, Sir, I am. This is the kind of issue we face and the other issue with low consumption is, of course, low carbon and all the implications of that for the way we run our society. So what is needed at times of vast change; driving things through, as the Minister for Planning and Environment said, or a consultative, listening, engaging approach? Do we need a genuine dialogue with all members of Jersey society and all sectors of the economy? I do think that a willingness to listen and the ability to be honest and straightforward are absolutely essential at this time; indeed, at any time but especially when things are changing so rapidly and when a society will be put under stress for the reasons I have shown. Spin is not an option. So I will go through those issues. Listening, and now we get to the detail, if you like, of where the Minister for Treasury and Resources stands in these sorts of areas. We had a graphic illustration this morning on our Minister for Treasury and Resources' ability to listen when the Chief Minister read out the conclusions of the high level working party and the E.U. on our Zero/Ten provisions. He simply stated that our rules, according to them, break the Code. I found it interesting that the high level working group gave themselves until June or we were told that they would take until June to mull over this. In one meeting at the end of January they decided, as indeed our advisers had told us, that it was evident that our measures did not comply and the technical detail is in the back of what the Chief Minister read out this morning. The grounds are absolutely clear. So what does our Minister for Treasury and Resources do on this kind of issue? He puts his fingers in his ears. He is still telling us that he was right. Is this good and wise government? I leave you to provide the answer. Is it likely to lead to certainty and stability that you carry on arguing or that you say: "Well, fine, we will get on with it"? The second precondition for the proper way of going forward in our society under stress and in a difficult time is spin versus honesty. We have to have an honest approach. As a Government, we have to provide Members and the public with figures that they can trust so that we can have a proper dialogue on whatever the matter is. The proposer covered in his report about the 30 per cent increase of Government expenditure in 5 years and, in his report on page 9, he gives the figures. He puts that 30 per cent into context and he points out that 21 per cent out of the 30 was inflation. I would just add, which he did not put in his report, that some of the rest of the missing 9 per cent was Williamson, a pandemic flu and one other big item: the reciprocal health agreement with the U.K. He included in his 30 per cent transfers from capital to revenue, which were just accounting measures: £12 million of transfers. He included that in an increase in expenditure. By so doing he cut away the ground from people who would like to believe what this Government tells them. The

third aspect of being able to have a dialogue and being able to sit round a table and get the right answer is that you have to be able to say: "I got it wrong. What I said yesterday, well, seems to be wrong. I have read something else, I have heard somebody else, and it was not right." It is not the end of the world to say: "I got it wrong." But I refer Members to the press statement, the extraordinary press statement, which greeted the public and States Members when the E.U. finally told us that time was up on Zero/Ten and that we cannot artificially ring-fence domestic taxation from the taxation of non-residents. This is what he said: "It [the E.U. Council's working party, that is] has concluded that the combination of the deemed distribution rules on Zero/Ten does give rise to harmful effects." Well, that is correct. Then the statement goes on to say: "The Minister for Treasury and Resources, Senator Philip Ozouf, commented: 'We are pleased that we now have clarity and that this conclusion has confirmed our expectations'." That suggests to me that the Minister for Treasury and Resources is schizophrenic, which is not quite as bad as being a lunatic. I will explain that. He tells us and the public through this press statement that the E.U. has concluded something that has "confirmed our expectations". So: "I expected them to rule that the deemed distribution rules were not compliant." But he believes now and he believed then, and he tells us repeatedly that he believes, that they are compliant. How could he expect that they were not compliant and believe that they were compliant at the same time? I think it might be worrying for the Island to know that they have a Minister for Treasury and Resources who can believe 2 contradictory things at the same time and this might not be a good thing for our economy or indeed the management of affairs. I was trying to square this: how can you do this? How can you be pleased that we have clarity when you have been fighting this issue for months, if not years? I arrived at an answer, which I think might be the right one, which is: "I cannot be wrong. We are landed with this thing that we did not want, this snowball that has just come and hit us in the face, and, well, I cannot be wrong. So I am pleased that I have just been hit in the face by a snowball. I cannot be wrong." The problem there is that "cannot be wrong" leads to not very good results and the proposer, although in another context, on his page 8 listed some of the achievements of our Minister for Treasury and Resources: "The Minister for Treasury and Resources has opposed all measures which might mitigate the impact of his policies on the Jersey public. He has opposed any delay in implementing 5 per cent G.S.T. [and remember the promise], any exemptions on essentials, any use of the Strategic Fund, any borrowing, any progressive tax changes." This comes from: "I cannot be wrong and I know best." I am sorry; it is a dangerous attitude for us in this Assembly to say: "Well, that is okay. We will just muddle on. We will just carry on like this." So much for not being able to say: "Sorry, I got it wrong." There is an issue that goes beyond that which is that he still believes that he is right and that worries me, too, because he said this morning, and I quote the gist: "I continue to believe that our deemed distribution rules are technically compliant." We have heard from the Chief Minister and I think the Minister for Treasury and Resources today, and it was in the Chief Minister's statement that the Code of Conduct is not a judicial process; it is a political process.

[16:45]

So basically people are playing politics with this. Well, the political process led to the Code of Conduct being set up many years ago, the year 2000 or something like that, and we are now faced with a set of rules and yet our Minister for Treasury and Resources refuses to accept this. There is a problem with that. There is a problem with not accepting what other people are telling you and, in fact, not accepting there is a set of rules that you have broken and you are off the field. There is a real problem because both the Chief Minister and the Minister for Treasury and Resources talk about being good neighbours, about how we need friends, about how Jersey is a shining example of everything that is good. "Good neighbours" is the phrase I want people to remember as I read this comment out: "If I have learned anything over the last few years it is that the E.U. really does not like those who try to get round its rules on tax by playing fast and loose with the interpretation of those rules but that is what your Ministers are doing. They are hoping that by claiming that the abuse they promote is not in business tax but instead is in personal tax they can get away with it."

A little bit later in these comments: “In other words, your politicians are helping people play games so they do not pay tax where they should and is it really any surprise as a result that Jersey is so deeply and profoundly unpopular elsewhere?” Now, I cannot prove that but we do have some evidence, do we not, in what Her Majesty’s Revenue and Customs have just decided, which is that Jersey is not in the top tier. We do not get the best treatment; we get the second-best treatment. The proposer might like to fill that in for Members in his summing up because it is a little bit technical, but the fact is we are not best friends with everybody. We are not the good neighbours and I think the Minister should be a little bit more careful with being so slow to accept what he is being told. There is a real danger in having a Minister for Treasury and Resources who does not accept reality. Is he going to set out to change the Code because, if so, good luck to him, or is he going to accept that the Code is real, that it exists and it has direct effects on Jersey? Well, he has accepted the Code and he said: “Yes, we will now comply.” But I have a problem that Jersey is not positioning itself out in front. We are bringing up the rear on this issue and he has told us he is going to bring up the rear as well on the automatic exchange of information: “We will go that direction when everybody else does.” You do not make friends like that. I am really concerned that Jersey is positioning itself at the back of the tide of change and not at the front and I think he is contributing. I would suggest to Members that this collection of trays does not create confidence, which is part of the aim of the game, is it not? So, to summarise, I think there are real dangers and I do not think this proposition ... and I have wrestled with it, I must say. Other people have pointed out: “Well, what is the point of bringing this proposition?” I have wrestled with that but I think there are real dangers and when I started to really think about this and look at these issues and whether this is the right kind of place to be and the right kind of person to have in this job - and it is not about personalities; it is about the way that things are approached - then I put it to Members that we have real problems here. At this time of social change and economic change we need conciliation and we need constructive dialogue and our Minister for Treasury and Resources has shown that he does not do dialogue. He does spin in order to make people believe things that do not stack-up and that is not right. That is just not right and I would say it is not democratic. We have heard the word “democratic” used several times. What is democratic about creating headlines in the paper that are misleading, indirectly? I know that Senator Ozouf does not write the *J.E.P.* but the fact is that the way the press releases work and the way that the debate is structured is, in effect, I am sad to say, manipulation of public opinion. It is horrible and we have got to ask people on their own terms what they think. We need to be in this, to coin a phrase, all together. We need to be in this all together and we do not need people telling other people what to think with facts that are not facts. We have to listen to each other. The second problem is the inability to accept reality, and I have covered that. I think that we are in danger because if you do go round with your fingers in your ears and blindfolded it is difficult to govern quite right: “I am still right. I am still right. The E.U. is still barking up a gum tree.” But it is a technical matter. The Code of Conduct is 1, 2, 3, 4, 5. I do understand the ruling but it is pretty tough going at the back of the Chief Minister’s statement this morning. It is quite technical and it cannot be argued with but the Minister for Treasury and Resources is still arguing with it. He still says: “I am right and they are wrong.” Finally, this business of Jersey being in the rear and the Minister for Treasury and Resources does have a big role to play there. This business of: “Well, we will move when everybody else has moved” is a very dangerous position for the finance industry to be in. We should be creating new ways forward that will provide a sustainable economic future, not driving down a blind alley into the wall at the end, because the tide of history is changing and the finance industry will have to change with it, and I would just beg the Minister for Treasury and Resources to take cognisance of that. So I was going to say I invite the Minister for Treasury and Resources to change his spots. Well, I do invite the Minister for Treasury and Resources to change his spots, quite a few of them; quite a few of them on the lines that I have just indicated. I think it will help the transformation and the change of his spots if quite a few Members vote for this, because that would be a little encouragement for the Minister for Treasury and Resources to move in the right direction and become a nicer leopard, if you like. Thank you.

**The Greffier of the States (in the Chair):**

Could I just mention, Deputy that some who work with those in the Island who assist those with mental illness have expressed concern in the past about Members using the word “schizophrenic” in the context of ... you did particularly use the word in the same sentence as the word “lunatic”. I am sure you would want to clarify.

**The Deputy of St. Mary**

You are quite right, Sir. Thank you for picking that up. What I meant to say was that holding 2 contradictory viewpoints at once, possibly that is not the right word but it is self-contradictory and it indicates a very confused state of mind. But I did explain that one rationalisation of that could be that the Minister could not admit that he was wrong, and that itself is a really difficult trait to have and not a particularly good one to have in government. So I do withdraw the word “schizophrenic”, Sir, particular in the context, as you say, with the word “lunatic”.

**The Greffier of the States (in the Chair):**

Thank you for that clarification, Deputy.

**9.1.8 Deputy E.J. Noel:**

The Deputy of St. Mary says you have to say sorry when you get it wrong but Senator Ozouf is criticised for, when the facts changed, he changed his mind over increasing G.S.T. It seems to me it is a case of you are criticised if you do and criticised if you do not. Our Minister for Treasury and Resources knows reality and that is to protect our economy and our competitiveness, a better place to be than at the front of the Deputy of St. Mary’s wave. Deputy Southern stated: “Residents are angry with” and Deputy Tadier said: “Does not have the confidence of the public.” They are both correct in the words that they use. However, they are wrong in their subject matter. It is Deputy Southern not Senator Ozouf who should be associated with such words. This is a nonsense proposition and it should be treated as such.

**9.1.9 Senator F. du H. Le Gresley:**

I was not minded to speak in this debate but the way it is running I feel I want to say a few words. I am a political novice, as most of you know, but, to my knowledge, I am not aware that a petition to the States has ever been bought by a political party. I may be proved wrong on that one, but I thought the purpose of petitions were for individual members of the public to bring to the attention of this House something that they were concerned about. What we have here is a political party with one Member in the States who is not happy with the way that we debated the budget last year and the provisions that were agreed by this Assembly. Now, I have to say I do not belong to this political party but I share a lot of their concerns and their policies. However, I would also say that I would never put my name to such a petition as was presented to the public in this format. The reason for that is I certainly believe that the role of States Members who are not happy with the policies that are being put forward by the Council of Ministers is to bring forward amendments and I brought forward a number of amendments to the budget, which were not successful. I am disappointed with that but I move on and that is how I think States Members have to conduct themselves. I have to say that it disappoints me because I am not happy with some of the policies that the Council of Ministers adopt and, as you know, I have a proposition for the next Assembly where the Council of Ministers have made a decision that I am not happy with. But surely that is the way, as States Members, we conduct ourselves. We bring amendments, we bring propositions. If we are defeated we have to take defeat gracefully and move on, as they say. So I do feel that this petition is really sour grapes. It has been organised by a political party who has really very small representation. It may well grow and the next Assembly may see a whole swathe of J.D.A. members, but at the moment we only have one representative and for that reason I will not be supporting the proposition. I have to say, and this is really completely at stance with my political views, I agree with Senator Cohen who I thought made a very good speech. I also agree

with the Chief Minister on this particular proposition. The Minister for Treasury and Resources is carrying out the wishes of this Assembly. He brings policies to this House, we vote on them and, if they are approved, we have to accept that those are the policies of the States of Jersey. **[Approbation]** I just feel that this petition was ill-advised. To me, it was campaigning already for the J.D.A. almost a year before the elections. Some of the statements in it were quite clearly alarmist, in particular the one that I have highlighted: "Mass redundancies imposed on the public sector." I mean, sorry, but that is alarmist in the extreme. So far we have only had voluntary redundancies; so where we are coming from with mass redundancies I do not know. I think a lot of the members of the public who signed this were - I am afraid to use the word - duped and I urge Members not to support it.

#### **9.1.10 Deputy T.M. Pitman:**

While it is still in my mind, were I to use the term "schizophrenic" I would not apologise for using it at all because, as has been mentioned and despite the *J.E.P.*'s usual hatchet job on me, P.P.C. (Privileges and Procedures Committee) did, of course, find there was no case to answer because my use was perfectly correct. I notice they have not put anything in the paper about that. I will not speak for long because I think, whatever you think of this proposition, Deputy Southern has made quite an extensive argument and there have been some very good speeches. I must say, I did have a little laugh at Senator Routier going on and lecturing Deputy Southern about not liking democratic decisions. Well, let us look at this farce with the Senators. I mean, that was a democratic decision. Self-interest is a funny thing. But I would like to talk on 2 points and the first - I will not dwell on it - is very important and some Members have alluded to it. The first is about the appalling journalism and editorial guide, I suppose, from the *J.E.P.* in misreporting this petition; a petition which, I have to point out, I had absolutely nothing to do with. I have not even signed it. I was not asked to sign it but, for the reasons I would probably get to, I would be quite happy to sign it.

[17:00]

This has to be raised because in an election year there really does not need to be some kind of investigation into the misrepresentation of politicians who happen to be to the left of Attila the Hun. This cannot go on and you just compare the frontline headline in the *J.E.P.* alleging the petition is all about the thousands that have been duped, when we are hearing 59 people which ... I am not a mathematician and without a calculator in front of me my maths is only slightly better than the Minister for Treasury and Resources. I would guess that it is probably like 0.5 per cent or 0.6 per cent and yet here we get a front page. Compare that, if Members will, with the hysteria driven by 2 or 3 political dinosaurs, largely responsible, it has to be said, for the precarious situation that we now find ourselves in, in this Island, with G.S.T. due to their strangling of tourism and agriculture and allowing us to become a monoculture where jurisdiction capture is, I am afraid, a harsh reality; all down to these great elder statesmen who now are coming out of the woodwork. Where I find the Deputy has missed a trick is, as Deputy Le Claire seemed about to say but never quite got there, try as he did, was that he did not widen the responsibility for the problems underlying this petition in his bringing it. I think Deputy Le Claire was absolutely right to try and get to that fact. Senator Ozouf is not the first and he will not be the last politician to find himself haunted by promises that he or she could never guarantee to deliver. Does he really deserve to be singled out when it is a much wider problem? That is why I think the more astute of us, when it comes to elections, only promise in our manifestos things that are entirely in our hands and that is why I, for instance, just said that I would work hard to try and bring about what I believed in and what my supporters believed in. I might not be able to do it but, whether you like my politics or not, I can look anyone in the eye and say I have worked hard. So this mistake is that the proposition should, in my view, have been directed at the whole Council of Ministers. Now, I think the Deputy of St. Mary and Deputy Tadier and Deputy Le Claire have touched on this. This broken promise is just another symptom of a much deeper problem with this Council of Ministers, with one or 2 honourable exceptions, I have to concede. Time and time again they say things yet appear to feel no obligation



to deliver. Just an example, of course, was the Chief Minister's promise to deliver inclusive government if we elected him. Of course, we all know nothing of the sort ever happened or will ever happen under his leadership. The promise to genuinely consider fairer forms of taxation, spreading the burden more equally, which I think, had they been done, we would not be here now; that never followed through, let us be honest about that. The refusal - and I know the Deputy of St. Mary has enlarged on this at length - to be quite upfront about Zero/Ten. Whatever Members wish to say, this has caused a great lot of concern about members of the public, particularly those in business. Really I feel the situation has been farcical, but that has been well covered so I will not go over that. The Minister is preaching about democratic decisions and, as we have seen, some Members want to run off to the Privy Council; rather like the Barclay Brothers in Sark when democracy that they want, apparently, is not falling in line with the result that they get. Democracy has to be taken as it is. It cannot be selective. Rather than just Senator Ozouf, the point is that this whole Council of Ministers needs and deserves to be removed and reconstituted if Jersey is not just to survive but to thrive. That is why I think so many people signed this petition. Why? Because at the root of all this is the fact, and I am pleased to find this supported by an award-winning economist Ha-Joon Chang, I believe. I hope I have pronounced his name right. But for the last 30 years the public has been sold the myth that removing regulation and giving the wealthy, big business, *et cetera*, a bigger slice of the pie will make things better for everyone through trickle down and the like. Sadly, as figures from the World Bank's data reveals, generally speaking nothing of the sort has happened. If only we had had the wisdom and our great elder statesmen had had the wisdom to look at that reality we would not be in this situation and the Minister would probably not be facing this proposal now. As has been pointed out, the proposition, flawed in focus as it might be on one individual or not, speaks essentially about our alleged commitment to a fairer society. Deputy Tadier brought that up. More precisely, I think it talks about the Council of Ministers who, I am afraid to say, a commitment to fairness and equality appears to be nothing more than lip service and that is why we are here today, really. Should the Minister be facing this? I do not think he should on his own because we are always on about collective responsibility and I think there are a lot of his colleagues who should be falling on their swords, led by the Chief Minister himself. That is why Members might think that that is unfair: that Senator Ozouf is facing this today. I think a removal of the Council of Ministers is wholly justified because I think that they have failed the ordinary people of Jersey. I think they have betrayed the ordinary people of Jersey and perhaps, whatever my feelings for Senator Ozouf - and I speak to him quite civilly outside the Chamber - I do not like his politics one bit. I think they are divisive and damaging. He may well think the same about mine; that is okay. But there are people out there hurting and I am afraid, in the position that the Minister for Treasury and Resources is in, he has got to take an awful lot of the flak for this. Jersey really is on the brink and I think this may well fail. It will probably fail. But we need to get rid of this Council of Ministers and put something in place where people really can work together based on abilities and not on this ridiculous notion of group-think and head-nodding. So I am willing to be swayed but, sorry, the people of Jersey have been let down. I will wait to hear the proposer's summing up and I really do hope the Minister for Treasury and Resources himself will speak. Perhaps he will say something enlightening about all his colleagues and how perhaps they have let him down. One thing is for sure - and I will end here - collectively they have let the ordinary people of Jersey down.

#### **9.1.11 Senator S.C. Ferguson:**

That was an interesting contribution by Deputy Pitman. I am sorry he raised the subject of Senators, so I will make a comment on that. I have had nothing but criticism of the States' decision and, in fact, even Age Concern, at the last meeting, was buzzing on the topic. I do regret the Deputy's lack of knowledge in the tourism industry and, no doubt, when it is appropriate, over a cup of coffee, I would be quite happy to discuss matters and explain it to him. Deputy Southern has taken a side-swipe at general economic policy over the past few years to support his case. I contemplated answering all his points and then I thought, Sir, you would not be too enthusiastic

about it. Unfortunately his case is based on his big government policy, as advised by the adviser to the T.U.C. (Trades Union Congress), rather than the small efficient government required by the public. I suppose we could really say we have Deputy Southern as proxy for the big government approach and perhaps Senator Ozouf represents a proxy for a smaller efficient government, which is the format preferred by the public and approved by the Assembly. I have heard a lot said about equality this afternoon. You can have equality of opportunity, which is what we should give people, but you can never have equality of assets or income, even under communism. The Deputy of St. Mary does not seem to understand that we are faced with an overbearing attitude of various bureaucrats in the E.U. and the U.K. - I am sorry the Deputy is not in the House - none of whom are accountable to anyone. There will come a time, I feel, when we take a stand and I think that time may be fast approaching. Why should we have a position which is subservient, rather than which is accorded to New Zealand, Canada, Singapore, Australia? I am sorry; it does not make sense. There was a mention of the sustainable economic future. Well, according to some of the learned economists that I have read, a sustainable economic future in the light of the general sort of green approach is equivalent to a subsistence economy. The Deputy also conflates capitalism and the free market. They are not the same. Your average capitalist would be quite happy without any competition but the free market keeps capitalism under control through competition and a small efficient government supports the free market. Frankly, I have heard a great deal of incredibly ignorant economics in the criticism of the Minister for Treasury and Resources. I do not always agree with him and I will continue to disagree where I think appropriate. But I really think this vexatious proposition is unjustified on the basis of the reasons given. I will not be supporting it.

#### **9.1.12 Senator P.F.C. Ozouf:**

As this is a *de facto* vote of no confidence, I think it is appropriate that I do speak even though I understand and I hope this debate is going to wind up today. I would like to thank Members, those that have spoken in support for me, for their kind comments but also to the many members of the public who have contacted me over the recent weeks during both the time of the petition signature collection, who really understood what the petition was about, and afterwards to those that did not, I think, understand the petition and rang up to apologise and say that, while they did not agree with the increase in G.S.T., they did not want to see the removal of the Minister for Treasury and Resources. So I have to say that I have been quite humbled by the significant amount of messages and support that I have had from all sections of Jersey. I want to be very clear with Members and to the public that the decision to propose the increase in G.S.T. was, without question, the most difficult of my political career. Sleepless nights do not even come near to it. I am not a natural taxpayer and spender of public money. I fully accept I gave a commitment in the last election in terms of G.S.T. but it was a period of time in the last months where Treasury Ministers needed to put aside personal popularity and make decisions and propose decisions that are in the Island's national interest. The world has been through the worst, deepest, most difficult economic period in the post-war period. Billions have had to be pumped into economies. Interest rates have been slashed. Savers have suffered. Millions have been affected around the world. Territories with precarious finances have been driven to seek support in the international community. Finance Ministers and governments around the world who have been trying to keep their public finances in order have had to make difficult decisions on tax and spending. Against the backdrop of what has been constant criticism both within the Island and outside, this Assembly has charted a prudent, sensible course through that turmoil. Not to deal with the deficit would be, in my view, justifiable of a vote of no confidence. So I take full responsibility for the decisions that I have taken and, as much as critics of Ministerial government would like to portray Ministerial government and the decisions of the Minister for Treasury and Resources as an autocracy, I would remind Members that every important decision on public finances has been made by this Assembly: in terms of spending, in terms of fiscal stimulus, in terms of tax. **[Approbation]** I believe in democracy. I believe that democracy always wins over autocracy and long may that continue. I was, in some ways, looking forward to Deputy Southern's speech.

[17:15]

I think that he has an ability to airbrush out some of our recent history. He also has an ability to put his head unfortunately in the sand. These decisions that have been made by this Assembly have also not been taken without consultation. The consultation on the fiscal strategy was the most wide-ranging that I have been involved in in the last 10 years. So I also believe that the public do not believe in dreamland. They understand the reality and they see through politicians who would make false promises. I could go through all of the accusations in terms of the criticisms levelled against me but I do not think that that would be a good use of this Assembly's time. I am not sure I am alone in quite enjoying one aspect of the *J.E.P.* reporting and that is the column on fly. I am not going to be like a fly waiting for a windscreen. I am moving on. I understand the comments about difficult decisions. I want to now get on with the job. I want to get on with the important job of modernising our public sector and securing a positive future for Jersey. aligning services with appropriate budgets, redesigning, improving the services that the Island community want and deserve; helping the Minister for Health and Social Services with the massive job of redesigning the health service; working with the new Minister for Housing on transforming housing, ensuring affordable homes that are safe, secure and warm; standing shoulder to shoulder with the Minister for Education, Sport and Culture on his difficult decisions in terms of private school finances and, yes, with constrained budgets, helping him with his Green Paper; working alongside the Minister for Social Security in terms of aligning social security and the tax system; working with the Minister for Transport and Technical Services to provide a solution for liquid waste; supporting the Minister for Home Affairs in finding a new location for the Police Headquarters and his other departments; working with the Minister for Planning and Environment to provide the resources that he needs to modernise the planning system; working with the Minister for Economic Development, expanding our global footprint in finance; delivering exciting diversification in technology businesses; providing incentives to work to reduce unemployment; and working with the Chief Minister and Assistant Chief Ministers in promoting the Island in the important matters of financial regulation and taxation around the world. And that is quite apart from the work that I have, as Minister for Treasury and Resources, in working with the new Treasurer of the States and the united Treasury team on all of the massive issues that we have in Resources and Treasury. I am optimistic about Jersey. I am optimistic about the States of Jersey. I am confident in this community's ability to adapt, grow and deliver prosperity, building an even better, more just, safer society. The work is not done. I hope that I have Members' support to continue to serve as Minister for Treasury and Resources and deliver results for this Assembly. **[Approbation]**

### **9.1.13 Senator B.I. Le Marquand:**

I rise to speak quite briefly because the proposition is simply not fair to the Minister for Treasury and Resources. It is not fair in a whole number of different ways. Firstly, he stands accused of using false figures and yet ironically, the proposition itself contains a number of wholly inaccurate figures. For instance, figure 1.3 is inaccurate. This is the uncorrected figure. The most recent figures indicate that the figures have been corrected down and indeed the 27 per cents now read 5 per cent. I have very carefully tracked the figures in relation to G.V.A. (Gross Value Added) during the period from 1998 and assuming what we think happened in 2010 and the figures over that entire period show a figure of minus 3 per cent, if the 2010 figures are as predicted, and taking into account inflation. So we have had no growth during that period. We have had minus 3 per cent in terms of the normal method of growth. The other figures, which are absolutely extraordinary in my view, are the figures contained on page 9. I have also looked at these figures very closely. The correct figure, I believe, to be that during the 12-year period - and I have mentioned these figures before in this Assembly - that we have seen growth in public expenditure of an order of more than 30 per cent above the rate of inflation and these figures are simply incorrect. I have looked at the correct figures recently and I am satisfied that these are just wrong. It is deeply ironic that my colleague Minister should be accused of providing false figures when these are clearly wrong. But the main issues here are indeed the issues which other people have

already taken up. The vast majority of complaints are not complaints against the individual Minister but against the policies of the current Council of Ministers, some of which were supported by all the members of the Council of Ministers and some of which were supported by a majority. It is simply not right to blame one particular Minister for that which is approved policy of a whole group. It is interesting that Deputy Trevor Pitman well understood that issue, and that such further problem, but to make it worse, even where the Council of Ministers was not entirely united on issues like G.S.T. food exemptions, the matter has been to the States. The States have made a decision. I happen to be in a minority on that decision but nevertheless, it was the decision of the entire States and now to blame an individual Minister for what is an entire States decision is frankly unreasonable and outrageous. It is quite unreasonable and unfair to blame the Minister for Treasury and Resources for policies, which in many cases have been approved by the Council of Ministers, sometimes unanimously. I am quite prepared to take the blame for my share of support for particular policies, which others may disagree with, but it is not fair that he take that blame all alone, as it were and even more unreasonable when policies have also been approved by the entire States.

**The Deputy of St. Mary:**

On a point of clarification, can I ask the previous speaker, he said that the 30 per cent increase in public expenditure was above the rate of inflation. For which years is he talking about?

**Senator B.I. Le Marquand:**

The figures I looked at were provided to me during the previous meeting of this Assembly by my colleague, Senator Ferguson. I looked at them very closely. I enjoy playing with figures and the figures, as I read them, indicated that the public sector part of G.V.A. during the relevant period, 1998 to 2010, as I recall it, was of the order of 31 per cent and 32 per cent above the rate of inflation. That is my recollection.

**Deputy M. Tadier:**

Can I seek further clarification on the same subject because I do not think the Minister wants to mislead the House. Those figures presumably include one-off payments like the incinerator and the Haut de la Garenne expenditure which are not recurring?

**Senator B.I. Le Marquand:**

I did not hear the question.

**The Greffier of the States (in the Chair):**

Whether the amount you quoted included one-off items such as Haut de La Garenne and the incinerator.

**Senator B.I. Le Marquand:**

That I do not know, Sir, because I was looking at the G.V.A. figures, as I recall it, for public sector expenditure growth during the relevant period and I am not sure exactly what goes into those figures. But these figures are incorrect. That is my point.

**9.1.14 Deputy J.A. Martin:**

I must say I have great respect for Senator Le Marquand but I do think he just missed his trick which Senator Ozouf did. I have been waiting all afternoon for Senator Ozouf to speak as a man facing a vote of no confidence and I heard a great speech from the man wanting to be the next Chief Minister. He is going to be shoulder to shoulder. He is going to work with the public sector. I am sorry, but not so long ago ... and you know how he was going to support the Minister for Education, Sport and Culture through the difficulties over fee-paying schools. I am very sorry but I do not sit that close to the Minister for Education, Sport and Culture but I felt a very sharp pain in my back a few months ago and it was certainly coming from Ministerial benches, and one was the

Minister for Treasury and Resources. I am very sorry. So that is it, yes, who was very supportive then and is now going to be supportive. I would just like to touch on something that the Deputy of St. Mary did say, and I think there is a time and I have worked with Senator Ozouf. I am not sure which way I am going to vote on this. I will be clear. I did wait for his speech. But it was what the Deputy of St. Mary said and then other people like Senator Le Gresley. Once we have reached a democratic decision, it is reached or some are more than others. But when the Senator was asked, when the amendment to the budget to not increase for 6 months until after the elections and it was a very close call. I did say after, the next day, that the Senator had not won the debate. Deputy Southern had unfortunately lost it and he lost it with one answer to the Constable of Trinity with his honesty and his integrity and that is what happened. Now, there was a time then that we should and we could have looked at the Council of Ministers and in all fairness, after the next election, we could have gone through a rise in G.S.T. We were, as Senator Le Gresley said, we were denied even the fallback and I think some people may have voted for that at 4 per cent. That is the way things work and he did say he was inexperienced in the House. I always love listening to Senator Ferguson. She accuses Deputy Southern of wanting big government. I know what she means by "big government", you know, government should do everything, but her actual wording was but she prefers small effective government favoured by the public but not when that means getting rid of 4 Senators, which was again a democratic decision of this House, and we know we have not heard the last of that. Deputy Southern has been told this is not democracy to bring up another subject that was decided on. Again, we are now having the big guns being drawn in, ex-Senators, who are going to go to the Privy Council outside of Jersey to say that we have made the wrong decision, can you interfere. Well, I do not know where Senator Ferguson thinks we stand against Australia, New Zealand, South Africa and all these countries she likes to quote, but we are minuscule to them. We do have to, as she says, listen to the overbearing bureaucrats and the time has come and we will all still realise that the world is flat basically because sometimes I really think that is where the Senator lives. I will take exception with something Deputy Pitman said. He said he does not like Senator Ozouf's politics and he does not. What we do not realise, I think everybody in this House - most people in this House - would be, if they were U.K. Conservative politicians and, of course, Labour politicians of old... and I am talking when there was a divide, not you know it is so grey now and they are all working together and this is where your values come, and I would defend Senator Ozouf's rights and many of the others. They hold that position. It does not make me ... and people in the U.K. who even have marriages between Conservatives and Labour and have done for years and it does... probably makes for a very interesting dinner conversation I will say but you leave that in the office. So I do respect his politics but what I do not respect is the lack of respect from the Conservatives to the people who do have the Labour more social just ... and I said it before we went to Ministerial, just imagine a world where we had started with a different Chief Minister, let us say more middle-of-the-road and he did not get it last time, but let us say if we had started with Senator Breckon, would we have had a more inclusive, would we have had a better Minister Council and Assistant Ministers? Personally I think we would. It might not have been him but somebody with his politics. So I am very sorry. This has not been a good debate. I do not know why the proposer did not use the vote of no confidence because this really just asks for the Minister to be dismissed, which is very, very hard to do. So I hope he explains that but I am not saying that there was a mix-up. I think the actual proposition that should have been brought was a carrot to freeze the V.A.T. until after the next election because not only will it be going up before the next election, the public out there who speak to me, and have seen 2 runners so far for Chief Minister, are not that silly with numbers. They know they were elected 3 years ago and if we do have that, that will be the third time running that this has happened and the public out there do not trust us and they do not believe that their vote counts. I call it "chaos day" because it will all be done on one day but I think the turnout this time will drop because they know. They will not be voting for a Chief Minister. We have got 2 people and they have got another 3 years and 8 months to go. I will leave it there. It has not been a good debate. I will just say I just came in when Senator Le Main was calling Deputy Southern a few personal names and said he puts

himself forward for everything. Deputy Southern works very hard. Why should he not put himself forward for things he knows he can do?

[17:30]

For the record, I proposed Deputy Southern this morning. I voted for Deputy Southern and no disregard to Deputy Green but I think what Deputy Southern knows and has learned about housing, immigration and other policies frightens most of the Ministers and we have now got an inexperienced Minister for Housing. I know he will work hard but I voted for experience and someone who could nail down the officers. So he put himself forward. He does not get there and unless he is going to turn blue overnight, I do not think, you know ... he may not get anywhere in the Council but I admire him for trying and nobody can deny Deputy Southern works hard where some people in this House just sit back and take their pay cheque.

**Senator P.F. Routier:**

Do you have any more speakers, Sir?

**The Greffier of the States (in the Chair):**

I have only got one on my list but there may be others. Well, the adjournment is proposed. Those in favour of adjourning, kindly show? Those against? The Assembly stands adjourned until 9.30 a.m. tomorrow morning.

**ADJOURNMENT**

[17:31]