

Economic Affairs Scrutiny Panel

Meeting No. 6

27th February 2006
Blampied Room, States Building

Present Deputy G. P. Southern, Chairman
Deputy A. Breckon, Vice-Chairman
Connétable M. K. Jackson
Deputy J. A. Martin
Deputy K. C. Lewis

Apologies

Absent

In attendance M. de la Haye, Greffier of the States
C. Le Quesne, Scrutiny Officer
N. Fox, Scrutiny Officer

Ref Back	Agenda matter	Action
1.	<p>Future Powers of Scrutiny Panels</p> <p>The Panel considered the Draft States of Jersey (Powers, Privileges and Immunities) (Scrutiny panels, PAC and PPC) (Jersey) Regulations 200-.</p> <p>The Panel welcomed the Greffier of the States to the meeting who explained several provisions of the Regulations.</p> <p>It was noted that the Regulations contained provisions that would allow witnesses summoned to a hearing by the Panel to challenge that summons on the grounds that the matter on which they were asked to comment was not relevant to the review that the Panel was undertaking. A similar provision existed in respect of questions to be asked of witnesses. The Privileges and Procedures Committee was to have powers of arbitration should such a challenge be issued.</p> <p>The Panel was concerned that the power to challenge on these grounds could be misused by a witness who was unwilling to answer questions from the Panel, and that this might, at least, cause a delay in the Scrutiny process.</p> <p>Although the Panel recognised that these were only grounds for challenge, not reasons for automatic avoidance of the summons, it was considered that as a matter of principle the Scrutiny function should determine its own remit, and that appeals to the Privileges and Procedures Committee on these grounds might not be appropriate.</p> <p>The Panel also queried the exact legal definition of the term 'as soon as practicable', but concluded that this was preferable to a maximum time limit, which it was suggested would become a standard response time. As the term was understood to bind the Privileges and Procedures Committee to respond to any challenge as soon as it was practically able to do so, it was deemed</p>	GS, MJ, and NJF

	<p>satisfactory.</p> <p>After discussion of the issue, it was decided that concerns about the content of some elements of the Regulations would be raised at the Chairman's Committee, and that the Chairman, Connétable Jackson and officers were to undertake research to determine the effects of the Regulations once implemented.</p> <p>Documents:</p> <p>Draft States of Jersey (Powers, Privileges and Immunities) (Scrutiny panels, PAC and PPC) (Jersey) Regulations 200-</p>	
<p>2.</p> <p>Meeting No. 5, 22nd February 2006, Item 2</p>	<p>Proposed Fulfilment Review</p> <p>The Panel discussed the fulfilment industry and its prospective review into the topic in light of the Chairman's recent meeting with a representative of that industry (the Panel received notes of that meeting).</p> <p>Concern was expressed as to the reliance of the industry on the provision in the United Kingdom's Value Added Tax (VAT) regulations of a de minimis level of £18.00 for the impositions of VAT on goods from non-European Union sources. Were this provision to be significantly modified, the Panel considered that the industry could be in a position of no-longer being viable and the Island could suffer an increase in unemployment.</p> <p>The Panel noted that the Chairman was to develop terms of reference for the review into the industry in the near future, for its approval.</p> <p>Documents:</p> <p>Explanation of VAT arrangements for fulfilment from Customs Oxera Report on Fulfilment</p> <p>The Panel requested that it be provided with details of the fulfilment companies currently operating in the Island together with details of its staffing numbers. In addition a copy of the United Kingdoms regulations on Low Value Goods was requested.</p>	<p>GS and CLQ</p>
<p>3.</p>	<p>The Future Incorporation of Jersey Post</p> <p>The Panel discussed the articles of the Postal Services (Jersey) Law 2004 and the Competition (Jersey) Law 2005 connected with the intervention of the Jersey Competition Regulatory Authority in the operation of Jersey Post once that body had been incorporated.</p> <p>The Panel noted the powers of the Jersey Competition Regulatory Authority in this regard, and commented that this oversight would be welcome in the absence of the now-defunct 'Postwatch' scheme.</p> <p>It was noted that the regulatory system in Guernsey appeared to be maintaining low prices for consumers, and that lower bulk rates for some weight classes of mail might be providing Guernsey with a competitive advantage in respect of fulfilment business.</p> <p>The Panel also noted that the planned separation between the domestic post service and the fulfilment provider elements of</p>	

	<p>Jersey post after incorporation was not as complete had previously been suggested.</p> <p>The Panel recalled that it was to receive a presentation and guided tour of Jersey Post's operations on 2nd March 2006 officers were directed to complete the necessary arrangements.</p> <p>Documents:</p> <p>Competition (Jersey) Law 2005 Competition Regulatory Authority (Jersey) Law 2001 Postal Services (Jersey) Law 2004</p>	CLQ
4.	<p>Proposal Form Received</p> <p>The Panel considered a Scrutiny Topic Proposal Form received from Mr. J. Heys, in respect of a proposed review into "the excessively high cost of travel and its effect on tourism, business, and residents of Jersey".</p> <p>The Panel noted Mr. Heys' concerns about the cost of travel to the Island, but referred to its earlier decision to delay any review into this matter until the Executive Director published its anticipated air and sea transport strategy.</p> <p>The Panel therefore directed officers to respond to Mr. Heys and inform him that his comments would be taken into consideration at such time as the review was undertaken.</p>	NJF
5.	<p>Confirmation of Mr. K. Keen's attendance</p> <p>The Panel noted an e-mail from Mr. K. Keen, Managing Director of the Jersey Milk Marketing Board confirming his willingness to attend the next meeting.</p>	CLQ
6.	<p>Date of Next Meeting</p> <p>The Panel noted that its next meeting was to be held on 8th March 2006, at a location to be arranged.</p> <p>Officers were directed to take the appropriate action.</p>	CleQ and NJF

Signed

Date

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Chairman Deputy G. P. Southern
Economic Affairs Panel

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