

**THE STATES assembled on Tuesday,
30th October 2001 at 9.30 a.m. under
the Presidency of the Bailiff,
Sir Philip Bailhache.**

**His Excellency the Lieutenant Governor,
Air Chief Marshal Sir John Cheshire, K.B.E., C.B.,
was present**

All members were present with the exception of -

Senator Stuart Syvret - out of the Island
Senator Frank Harrison Walker - ill
John Baudains Germain, Connétable of St. Martin - out of the Island
Stanley John Le Cornu, Connétable of St. Clement - out of the Island
Derek Ryder Maltwood, Deputy of St. Mary - out of the Island
Alastair John Layzell, Deputy of St. Brelade - out of the Island
Philip John Rondel, Deputy of St. John - out of the Island
Terence John Le Main, Deputy of St. Helier - ill
Michael Edward Vibert, Deputy of St. Brelade - out of the Island
Roy George Le Hérisssier, Deputy of St. Saviour - out of the Island

Prayers

Subordinate legislation tabled

The following enactments were laid before the States, namely -

Firearms (General Provisions) (Jersey) Order 2001. R & O 146/2001.
Firearms (Excepted Air Weapons) (Jersey) Order 2001. R & O 147/2001.
Social Security (Earnings Limit) (Jersey) Order 2001. R & O 148/2001.
Social Security (Collection of Contributions) (Jersey) Order 2001. R & O 149/2001.
Social Security (Contributions) (Amendment No. 7) (Jersey) Order 2001. R & O 150/2001.
Diseases of Animals (Foot and Mouth - Restrictions No. 1E) (Jersey) Order 2001. R & O 151/2001.
Royal Court (Amendment No. 17) Rules 2001. R & O 152/2001.

Matters presented

The following matters were presented to the States -

St. Helier ring road: deferment of works (P.115/2001) - report - P.115/2001 Rpt.
Presented by the Planning and Environment Committee.

Union Street, St. Helier: purchase of land (P.139/2001): - comments - P.139/2001 Com.
Presented by the Planning and Environment Committee.

Projet de Loi (200-) (Amendement) sur la Voirie (P.90/2001): rapport - P.90/2001 Rpt.
Présenté par le Comité des Services Publics.

THE STATES ordered that the said reports be printed and distributed.

Matters noted - acceptance of tender

THE STATES noted an Act of the Finance and Economics Committee dated 24th October 2001, showing that, in pursuance of Rule 5 of the Public Finances (General) (Jersey) Rules 1967, as amended, the Committee had noted that the Education Committee had accepted the lowest priced tender for the Trinity School extension, namely that submitted by J.P. Mauger Limited in the revised sum of £555,341.00.

Matters lodged

The following matters were lodged "au Greffe" -

Draft Fishing Vessels (Safety Training) (Jersey) Regulations 200- (P.140/2001): amendment - P.140/2001 Amd.
Presented by Deputy G.C.L. Baudains of St. Clement.

Draft Disability Transport Allowance (Jersey) Regulations 200- P.163/2001.
Presented by the Employment and Social Security Committee.

Unit 6, La Rue Grellier, La Rue des Près Trading Estate: sub-lease of warehouse - P.164/2001.
Presented by the Telecommunications Board.

Draft Island Planning (Amendment No. 7) (Jersey) Law 200P.165/2001.
Presented by the Planning and Environment Committee.

Arrangement of public business for the next meeting on 13th November 2001 -

THE STATES confirmed that the following matters lodged "au Greffe" would be considered at the next meeting on 13th November 2001 -

St. Helier ring-road: deferment of works - P.115/2001.
Lodged: 17th July 2001.
Deputy G.C.L. Baudains of St. Clement.

St. Helier ring road: deferment of works (P.115/2001) - report - P.115/2001 Rpt.
Presented: 30th October 2001.
Planning and Environment Committee.

Funding of Welfare - P.135/2001.
Lodged: 11th September 2001.
Connétable of Grouville.

Funding of Welfare (P.135/2001): comments - P.135/2001 Com.
Presented: 23rd October 2001.
Human Resources Committee.

Union Street, St. Helier: purchase of land - P.139/2001.
Public Services Committee.

Union Street, St. Helier: purchase of land (P.139/2001) - comments - P.139/2001 Com.
Planning and Environment Committee.

Draft Piercing and Tattooing (Jersey) Law 200- P.144/2001.

Lodged: 9th October 2001.

Health and Social Services Committee.

6 Plaisance Terrace, La Route du Fort, St. Saviour: transfer of administration- P.159/2001.

Lodged: 23rd October 2001.

Health and Social Services Committee.

Hotel Cristina, Mont Félard, St. Lawrence: development in the Green Zone - P.161/2001.

Lodged: 23rd October 2001.

Planning and Environment Committee.

Draft Island Planning (Amendment No. 7) (Jersey) Law 200- P.165/2001.

Lodged: 30th October 2001.

Planning and Environment Committee.

Arrangement of public business for the meeting to be held on 20th November 2001 -

THE STATES agreed in principal that the following matter lodged “au Greffe” would be considered at the meeting on 20th November 2001 -

Introduction of work permits - P.107/2000.

Lodged: 4th July 2000.

Senator P.V.F. Le Claire.

Introduction of work permits (P.107/2000): comments - P.107/2000. Com.

Presented: 9th October 2001.

Policy and Resources Committee.

Draft Disability Transport Allowance (Jersey) Regulations 200- P.163/2001.

Lodged: 30th October 2001.

Employment and Social Security Committee.

Unit 6, La Rue Grellier, La Rue des Près Trading Estate: sub-lease of warehouse - P.164/2001.

Lodged 30th October 2001.

Telecommunications Board.

Application for housing units - questions and answers (Tape No. 689)

The Deputy of St. Peter asked Senator Nigel Lewis Quérée, President of the Planning and Environment Committee, the following questions -

“1. Would the President advise the Assembly -

- (a) how many applications for the development of housing units have been rejected by the Committee so far during 2001?
- (b) what was the total number of housing units involved?
- (c) how many were rejected on grounds of lack of amenity space?

2. Would the President state clearly and succinctly whether or not the Committee’s policies as expressed in Planning Policy Note No. 3- Parking Guidelines issued in September 1988, and Planning Policy Note

No. 6- Minimum Standards in New Housing Developments (in relation to amenity space) issued in 1994, are flexible, and how many exceptions to policy have been granted during the same period?"

The President of the Planning and Environment Committee replied as follows -

- “1. The Committee rejected 88 applications for housing between 1st January and 30th September 2001.

The proposed number of homes involved was 478.

Of the 88 applications, 18 included (among other reasons) the inadequacy of amenity open space as a reason for refusal. The predominant reasons for refusal were the overdevelopment of the sites, the impact the development would have on adjoining properties, or that the sites were located in an area the States has decided is unsuitable for development (i.e. - Green Zone or Agricultural Priority Zone).

2. Both Policy Notes remain in force for the time being, and will be reviewed following States' approval of the Island Plan.

They are applied flexibly where circumstances justify, and in particular for housing in the central area of St. Helier where, as a result of the Housing Forum, we have sought in recent years to achieve higher housing yields. However, flexibility does not mean that we forego the purpose of the guidelines and standards, which are designed to ensure the residents of completed developments have adequate parking facilities and private or communal amenity open space.

I am unable to say how many exceptions or variations have been made from the guidelines. The Planning Department does not have sufficient resources to analyse applications in this way.”

Air routes to the United Kingdom - questions and answers (Tape No 689)

Senator Paul Vincent Francis Le Claire asked the Deputy of St. Peter, member of the Jersey Transport Authority the following questions -

- “1. Has the Authority taken any steps to encourage airlines to utilise the Stansted route when it is the fastest growing airport in Britain?
2. Has the Authority taken any steps to encourage airlines, and in particular, low cost airline companies, to address the downturn in passenger numbers since the closure of the Heathrow route, and if so, would the President inform members what these are and what outcomes they have achieved? Is the Authority aware of any steps taken by other Committees to address this matter?”

The Deputy of St. Peter, member of the Jersey Transport Authority, replied as follows-

- “1. The Jersey Transport Authority, as a matter of course, maintains regular contact with airlines serving Jersey. When KLMUK gave notice that it would discontinue its Stansted service, the Authority approached a number of airlines, including low-fares airlines, to find out if they would be interested in providing a replacement service. These approaches were unsuccessful in that no applications for a permit have subsequently been received.

An officer group, representing the Authority, Jersey Tourism, the Harbours and the Airport, has been set up to examine ways in which the number of people travelling to Jersey can be increased. A meeting was held recently with executives of Ryanair to discuss the possibility of a single daily service to and from Stansted. No application has yet been received from Ryanair.

The Authority would welcome an operator on the Stansted route, not only to provide an alternative destination for London-bound passengers but also to re-establish a connection with counties like Cambridgeshire, Norfolk and Suffolk, which are difficult to reach from Gatwick and London City.

2. As I have said in answer to the first question, the Authority is currently working with the Tourism and Harbours and Airport Committees, together with industry representatives, generally to try to find ways to increase passenger traffic between the UK and Jersey, and also specifically in respect of Ryanair. Of course, the Authority has ex-officio members from the Tourism, Harbours and Airport, and Agriculture and Fisheries Committees and one of its other members is the Vice-President of the Industries Committee.

The Authority has carefully monitored the effects of the withdrawal of British Airways from the Heathrow-Jersey route. It has encouraged increased capacity on the Gatwick route and readily licensed a daily, year-round service to London City. However, the potential intervention of low-fares airlines into the market is not as straightforward as many have suggested.

Members will recall that, in 1997, the Authority granted a permit to Easyjet to operate a scheduled service from Luton. This service was never started. In the case of Ryanair, its executives are seeking a very substantial reduction in airport landing fees and passenger charges. This raises the issue of equity among other carriers.

The Authority hopes, in due course, to promote a debate about whether low-fare airlines should be subsidised in order to secure their services to Jersey and, if so, by whom. I would repeat that, as yet, there has been no application from Ryanair.”

Concessions on the payment of tax by financial institutions and banks - question and answer (Tape No. 689)

Senator Paul Vincent Francis Le Claire asked Deputy Paul Francis Routier of St. Helier, member of the Finance and Economics Committee, the following question -

“In his reply to the Connétable of St. Helier’s question on 9th October 2001, the President stated that extra-statutory concessions on income tax rates had been available to companies in the finance sector in the past, and that this facility had been replaced by the International Business Company which was enshrined in statute and found at Article 123B of the Income Tax (Jersey) Law 1961, as amended.

Would the President advise members how many financial institutions and banks take advantage of the above facility and therefore pay less than 20 per cent tax in Jersey?”

Deputy Routier, member of the Finance and Economics Committee replied as follows -

“There are currently 167 International Business Companies in existence. Of those, 26 could be termed as financial institutions and banks, many of which attract substantial amounts of international business to the Island.”

Direct aid to the dairy industry - statement

The President of the Agriculture and Fisheries Committee made a statement in the following terms -

“On 9th October 2001 I was asked additional questions by the Deputy of St. Peter about the distribution of financial aid to the dairy industry.

The Deputy had asked about direct aid paid to farmers and growers in 3 farm size categories:

- (i) 50 vergées and below;
- (ii) 51-200 vergées;
- (iii) 201 vergées and above

It was not possible to provide information at the time about direct aid to the dairy industry paid in the form of a Seasonality Subsidy - because Jersey Milk, who make the payments, did not have readily available the

cumulative amounts paid to each milk producer.

Jersey Milk have now calculated and provided that information and this has enabled the following to be established for the year 2000:

	1-50 vergées	51-200	200 and over	Totals/average
Number of holdings	10	22	18	50
Total support payments	£20,974	£266,875	£611,835	£899,684
Average payment per holding	£2,097	£12,131	£33,991	£17993
Average cows per holding	12	63	158	87
Average payment per cow	£179	£189	£214	£207
Range (payment per cow)	92-223	121-224	175-249	
Average payment per litre	4.99p	4.88p	4.87p	4.88p
Average yield per cow	3585 litres	3877 litres	4395 litres	4241 litres

It can be seen that

- (1) The Seasonality Subsidy has been paid predominantly to the larger, higher yielding herds.
- (2) The payments are closely correlated with total milk production (see yield per cow and herd size).
- (3) The payments are not correlated with success achieved in matching seasonal production with the seasonal milk prices (see the average payments per litre).

It can be concluded that the payments are rewarding higher production, rather than success in matching seasonal production to Jersey Milk's seasonal milk prices.

Members of the Assembly should note that this information about the distribution of this subsidy to producers has only recently become available.

I would also like to remind Members of the Assembly that the Policy Report 2001 proposes to discontinue this subsidy and to replace it with headage payments, which would be totally transparent. Another purpose of the proposed policy change, however, is to 'decouple' direct aid for dairy farmers from production, thereby removing any incentive from the States to produce more milk. It is proposed that the 'decoupling' will be achieved without disadvantaging those producers that currently have the more productive herds."

Stabilisation of Property Prices and the Provision of Affordable Residential Accommodation - P.68/2001
Comments - P.68/2001 Com.
Comments - P.68/2001 Com.(2)

THE STATES commenced consideration of a proposition concerning stabilisation of Property Prices and the provision of Affordable Residential Accommodation (P.68/2001), and considered, in principle, whether positive action should be taken to encourage home ownership in the Island and the stabilisation of residential and commercial property prices and rentals, and rejected paragraph (a)(i) -

- (a) that the Finance and Economics Committee be requested -
 - (i) to investigate the introduction of taxation on any capital gain received on the sale of land, residential or commercial property within 20 years of its purchase to discourage the sale of such property within a short period of time; and

Members present voted as follows on paragraph (a)(i) -

“Pour” (13)

Senators

Le Maistre, Stein, Kinnard, Le Claire.

Connétables

St. Peter.

Deputies

S. Baudains(H), Duhamel(S), Breckon(S), Huet(H), St. Martin, St. Peter, G. Baudains(C), Martin(H).

“Contre” (29)

Senators

Horsfall, Quérée, Bailhache, Norman, Le Sueur, Lakeman.

Connétables

Grouville, St. Helier, St. Ouen, Trinity, St. Saviour, St. Brelade, St. Lawrence, St. Mary, St. John.

Deputies

H. Baudains(C), Trinity, Routier(H), Crowcroft(H), Dubras(L), St. Ouen, Dorey(H), Troy(B), Voisin(L), Scott Warren(S), Farnham(S), Ozouf(H), Fox(H), Bridge(H).

THE STATES rejected paragraph (a)(ii) -

(a) that the Finance and Economics Committee be requested -

(ii) to bring forward for approval legislation to provide that mortgage interest relief should only be granted in respect of residential property which is owner-occupied and which is the owner's principal place of residence and that such relief should be limited to the first £260,000 of any mortgage on that property;

Members present voted as follows on paragraph (a)(ii) -

“Pour” (18)

Senators

Bailhache, Kinnard, Le Claire.

Connétables

St. Helier, Trinity, St. Mary, St. John, St. Peter.

Deputies

H. Baudains(C), S. Baudains(H), Duhamel(S), Breckon(S), Huet(H), St. Martin, G. Baudains(C), Scott Warren(S), Bridge(H), Martin(H).

“Contre” (24)

Senators

Horsfall, Le Maistre, Stein, Quérée, Norman, Le Sueur, Lakeman.

Connétables

Grouville, St. Ouen, St. Saviour, St. Brelade, St. Lawrence.

Deputies

Trinity, Routier(H), Crowcroft(H), St. Peter, Dubras(L), St. Ouen, Dorey(H), Troy(B), Voisin(L), Farnham(S), Ozouf(H), Fox(H).

THE STATES rejected paragraph (b) -

that all Committees of the States shall henceforth ensure that the rent review clause in any new agreement for the leasing of property, entered into by the public, either as lessor or lessee, or the renewal of any such agreement, specifies that annual rent increases shall be limited to a maximum of 2.5% and shall not be linked to the increase in the Jersey Retail Price Index;

Members present voted as follows on paragraph (b) -

“Pour” (12)

Senators

Bailhache, Kinnard, Le Claire.

Connétables

Trinity, St. Mary, St. Peter.

Deputies

S. Baudains(H), Breckon(S), Huet(H), G. Baudains(C), Fox(H), Martin(H).

“Contre” (30)

Senators

Horsfall, Le Maistre, Stein, Quérée, Norman, Le Sueur, Lakeman.

Connétables

Grouville, St. Helier, St. Ouen, St. Saviour, St. Brelade, St. Lawrence, St. John.

Deputies

H. Baudains(C), Trinity, Duhamel(S), Routier(H), St. Martin, Crowcroft(H), St. Peter, Dubras(L), St. Ouen, Dorey(H), Troy(B), Voisin(L), Scott Warren(S), Farnham(S), Ozouf(H), Bridge(H).

THE STATES adopted paragraph (c) and requested the Planning and Environment Committee, in conjunction with the Policy and Resources, Industries and Housing Committees, to compile, and publish on a regular basis, statistics on the number of new dwellings completed in the Island;

THE STATES rejected paragraph (d)(i) -

(d) to request the Housing Committee -

(i) to review the Committee’s policy on the level of maximum or fair rents for States accommodation and the operation of the private sector rent rebate system to ensure that the maximum payable in rent by tenants is no more than fifteen per cent of the Island’s average earnings index;

Members present voted as follows on paragraph (d)(i) -

“Pour” (8)

Senators

Bailhache, Kinnard, Le Claire.

Deputies

S. Baudains(H), Duhamel(S), Breckon(S), Voisin(L), Fox(H).

“Contre” (33)

Senators

Horsfall, Le Maistre, Stein, Quérée, Norman, Le Sueur, Lakeman.

Connétables

Grouville, St. Helier, St. Ouen, Trinity, St. Saviour, St. Brelade, St. Lawrence, St. Mary, St. John, St. Peter.

Deputies

H. Baudains(C), Trinity, Routier(H), Huet(H), St. Martin, Crowcroft(H), St. Peter, Dubras(L), St. Oue
G. Baudains(C), Dorey(H), Troy(B), Scott Warren(S), Farnham(S), Ozouf(H), Bridge(H).

One member abstained from voting.

THE STATES rejected paragraphs (d)(ii-iv) -

(d) to request the Housing Committee -

- (ii) to review the operation of the Rent Control Tribunal and bring forward for approval legislation to grant the Tribunal powers to give due consideration to Jersey's average earnings index and the levels of real income and pensions when determining actual rental levels;
- (iii) to review the current methods of registration and regulation of lodging houses and, in particular, to consider the introduction of legislation to regulate the prices charged by lodging house owners or their agents;
- (iv) to identify, and maintain a register of, all unoccupied residential property and consider the introduction of a method of financially penalising owners who allow residential property to remain vacant for more than one year;

THE STATES adopted paragraph (e) and requested the Industries Committee to give due consideration to the provision of more affordable homes for sale and rental when considering applications under Part III of the Regulation of Undertakings and Development (Jersey) Law 1973, as amended.

Members present voted as follows on paragraph (e) -

“Pour” (33)

Senators

Horsfall, Le Maistre, Stein, Quérée, Bailhache, Kinnard, Le Sueur, Le Claire.

Connétables

Grouville, St. Helier, Trinity, St. Mary, St. John, St. Peter.

Deputies

H. Baudains(C), S. Baudains(H), Duhamel(S), Routier(H), Breckon(S), Huet(H), St. Martin, Crowcro (H), St. Peter, Dubras(L), St. Ouen, Dorey(H), Troy(B), Scott Warren(S), Farnham(S), Ozouf(H), Fox(H) Bridge(H), Martin(H).

“Contre” (9)

Senators

Norman, Lakeman.

Connétables

St. Ouen, St. Saviour, St. Brelade, St. Lawrence.

Deputies

Trinity, G. Baudains(C), Voisin(L).

THE STATES, adopting a proposition of Deputy Alan Breckon of St. Saviour -

- (a) requested the Planning and Environment Committee, in conjunction with the Policy and Resources, Industries and Housing Committees, to compile, and publish on a regular basis, statistics on the number of new dwellings completed in the Island;
- (b) requested the Industries Committee to give due consideration to the provision of more affordable homes for sale and rental when considering applications under Part III of the Regulation of Undertakings and Development (Jersey) Law 1973, as amended.

Meetings of the States of Jersey in 2002: suspension of Standing Order 4(1) - P.149/2001

THE STATES, adopting a proposition of the House Committee, suspended Standing Order No. 4(1) to enable the States to meet on the days fixed for the holding of meetings in ordinary session in 2002.

Projet d'Acte (200-) mettant en vigueur la Loi (2001) (Amendement No. 8) réglant la procédure criminelle P.151/2001

THE STATES, in pursuance of Article 21 of the Loi (2001) (Amendement No. 8) réglant la procédure made ar Act entitled the Acte (200-) mettant en vigueur la Loi (2001) (Amendement No. 8) réglant la procédure criminelle.

Draft Law Reform (Disclosure and Conduct Before Action) (Jersey) Law 1999 (Appointed Day) Act 200-

THE STATES, in pursuance of Article 6 of the Law Reform (Disclosure and Conduct before Action) (Jersey) Law 1999, made an Act entitled the Law Reform (Disclosure and Conduct Before Action) (Jersey) Law 1999 (Appointed Day) Act 2001.

Draft Criminal Justice (International Co-operation) (Jersey) Law 2001 (Appointed Day) Act 200-P.153/2001

THE STATES, in pursuance of Article 10 of the Criminal Justice (International Co-operation) (Jersey) Law 2001,

made an Act entitled the Criminal Justice (International Co-operation) (Jersey) Law 2001 (Appointed Day) Act 2001.

Draft Criminal Justice (International Co-operation) (Jersey) Regulations 200- P.154/2001

THE STATES, in pursuance of Article 7 of the Criminal Justice (International Co-operation) (Jersey) Law 2001, made Regulations entitled the Criminal Justice (International Co-operation) (Jersey) Regulations 2001.

Draft Collective Investment Funds (Amendment No. 3) (Jersey) Law 200 P.155/2001

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Collective Investment Funds (Amendment No. 3) (Jersey) Law 200.

Draft Banking Business (Amendment No. 3) (Jersey) Law 200 P.156/2001

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Banking Business (Amendment No. 3) (Jersey) Law 200.

Draft Insurance Business (Amendment No. 3) (Jersey) Law 200 P.157/2001

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Insurance Business (Amendment No. 3) (Jersey) Law 200.

Draft Financial Services (Amendment) (Jersey) Law 200- P.158/2001

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Financial Services (Amendment) (Jersey) Law 200-.

Arrangement of business for the present meeting

THE STATES agreed to defer consideration of the draft Gambling (Betting) (Amendment No. 11) (Jersey) Regulations (P.150/2001 lodged "au Greffe" on 16th October 2001) and to consider it as the first item of business at their next meeting on 13th November 2001.

Changes in Presidency

The Bailiff retired from the chair during consideration of the Stabilisation of Property Prices and the Provision of Affordable Residential Accommodation (P.68/2001) and Miss Catherine Mary Newcombe, Greffier of the States, took over the Presidency. The Bailiff resumed the Presidency at the conclusion of that matter.

THE STATES rose at 5.52 p.m.

C.M. NEWCOMBE

Greffier of the States.