

Economic Affairs Scrutiny Panel

25th January 2006

St. Saviour's Parish Hall

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 Carol Le Quesne, Scrutiny Officer
 Nathan Fox, Scrutiny Officer

Ref. back.	Agenda matter	Action
1.	<p>Minutes of the Meeting of 11th January 2006.</p> <p>These minutes were approved.</p>	
2.	<p>Chairman's Committee meeting with the Chief Minister and H.M. Attorney General.</p> <p>The Panel received a briefing from the Chairman in respect of this meeting. Of particular interest was the arrangement for the provision of legal advice to the Scrutiny Panel.</p> <p>The outcome was that a draft protocol in respect of that advice would be prepared by the Scrutiny office by way of summary of the discussion at the meeting, and that this would be circulated to the Chief Minister and H.M. Attorney General.</p> <p>It had been agreed that the Chief Minister would take the matter to the Council of Ministers at the earliest opportunity. Once the matter had been agreed, it would be incorporated into the Scrutiny Code of Practice for lodging "au Greffe". This would necessitate a delay in taking the Code of Practice to the States.</p>	
3.	<p>Presentation from the Economic Development Department</p> <p>The Panel received a presentation from Mr. M. King, Chief Executive Officer, detailing the function of the Department and outlining the current economic situation.</p> <p>The Panel was informed that the primary goal of the Department was to provide two per cent annual economic growth, while maintaining the current low level of inflation.</p> <p>This growth, in conjunction with the proposed revised tax measures, would recoup the estimated tax deficit incurred from the move to 'zero ten' company tax. Although the Department recognised that this deficit was significant, it considered the change necessary to keep the Island internationally competitive.</p>	
4.	<p>Questions to the Minister from the Panel and Public</p>	

The Chairman, after welcoming the public to the meeting, and with the Minister's permission, stated that he would allow interested parties as well as the Panel to question the Minister and his officers about the matters for which they were responsible. Initially, he invited the minister to outline his intentions with regard to agriculture.

The Minister explained that the Department's wide range of responsibilities necessitated the delegation of certain powers to Assistant Ministers and officers, as detailed in the projet 'Delegation of Functions - Economic Development' and the Department's paper, (attached).

The Minister noted that while he had no personal pecuniary interest in the agricultural sector, he did not intend to make decisions that might affect his family's holdings, and would therefore work with the Planning and Environment Department to delegate powers in regard to the Rural Economy Strategy.

Members of the public expressed concern that the financial sector should comprise over 50 per cent of the economy, and that tax evasion was a feature of the economy. The Minister replied that while he had a high regard for tourism and other sectors, Jersey was fortunate to have such a large financial services industry, and that a serious debate on a possible future for the Island in its absence should be undertaken. The Minister firmly denied that tax evasion was an element of the local economy and detailed the difference between tax evasion and avoidance.

The Minister also noted that the skills base of the island was currently not at a sufficiently high level to service the full needs of the finance industry.

The public also questioned the Minister over his response to the current sea transport situation. He replied that Jersey's harbour dues were not currently compliant with European Union regulations, and that Assistant Minister Maclean intended to bring forward a revised schedule of dues in the near future. He was of the opinion that it was for the Jersey Competition Regulatory Authority to determine the proper framework for competition and that it would be short-sighted to consider competition on the routes as the only relevant factor, and to ignore reliability and sustainability.

The Minister confirmed that he intended to revise the current strategy for tourism, but made no commitment in respect of the Rural Economy Strategy, which he considered was a significant improvement over the earlier strategy.

The Minister also stated his intention to reduce bureaucracy in company formation, revisit the current gambling legislation, and to foster better connections between the airport authorities and the tourism industry.

The Minister was aware of the forthcoming challenges relating to the United Kingdom decision to cease provision of analogue television services.

The Minister and the Chairman agreed that a productive working relationship could be achieved, and decided to exchange

	<p>information about future plans as soon as possible.</p> <p>Documents: Delegation of Functions - Economic Development (attached) Department delegation paper re Assistant Ministers (attached)</p>	
5.	<p>Work Programme for 2006</p> <p>The Panel discussed its priorities for the coming year, and the allocation of time and resources.</p> <p>The fulfilment industry, the operation of the harbour (possibly connected to the sea routes situation), and the operation of the airport were considered as the leading topics for consideration, although no firm decision was made. Officers were directed to compile member's comments into topic scoping documents, and to provide suitable background information for the reviews to be further considered at the next meeting.</p>	CleQ and NJF
6.	<p>Chairman's meeting with Condor Ferries</p> <p>The Panel was informed that the meeting, held on 16th January 2006, with Mr. S. Bailey and Mr. J. Milner of Condor Ferries, had been of great value and that Condor appeared confident in its ability to service the route as a sole operator, although it was somewhat concerned over the level of harbour dues.</p> <p>The situation in respect of the imposition and regulation of service level agreements (SLAs) was discussed, and officers were directed to obtain a copy of all current sea route operator SLAs from the Department.</p>	CleQ and NJF
7.	<p>Date of next meeting</p> <p>The Panel noted that its next meeting was to be held on 8th February 2006 at St. Mary's Parish Hall.</p> <p>Officers were directed to take the appropriate action.</p>	CleQ and NJF

Signed.....

Chairman: Deputy G. P. Southern

[KTF1]Can we find an alternative word to "feature"??

[KTF2]Do you mean Minister?

[KTF3]Sorry - can't follow this last bit - "the only factor?"