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THE STATES assembled on Tuesday,
27th February 1996 at 9.30 a.m. under
the Presidency of the Bailiff,
Philip Martin Bailhache, Esquire

All members were present with the exception of -

Senator Corrie Stein - ill
Senator Antony Beresford Chinn - out of the
Island
Robin Ernest Richard Rumboll, Deputy of St.
Helier - out of the Island
Derek Ryder Maltwood, Deputy of St. Mary -
out of the Island
John Nicolle Le Fondré, Deputy of St.
Lawrence - ill
Margaret Anne Le Geyt, Deputy of St.
Saviour - out of the Island
Frederick John Hill, Deputy of St. Martin -
out of the Island.

Prayers

Connétable of St. Clement - welcome

The Bailiff, on behalf of members of the States,
welcomed Leonard René Hamel, Connétable of St.
Clement, on his return to the States after his
recent illness.

Subordinate legislation tabled

The following enactment was laid before the
States, namely -

Telecommunications
(Telephones) (Amendment No. 26) (Jersey)

Order 1996. R & O 8910.

Matters presented

The following matters were presented to the States -

1. Housing: States rental waiting list and development programme as at 1st January 1996 - R.C.3/96.
Presented by the Housing Committee.
THE STATES ordered that the said report be printed and distributed.
2. Dwelling Houses Loan Fund: accounts for 1995 - R.C.4/96.
Presented by the Housing Committee.
THE STATES ordered that the said report be printed and distributed.
3. Agricultural loans: report for 1995 - R.C.5/96.
Presented by the Agriculture and Fisheries Committee.
THE STATES ordered that the said report be printed and distributed.

Matters lodged

The following matters were lodged ``au Greffe" -

1. Draft Housing (Amendment No. 8) (Jersey) Law 1996 (Appointed Day) Act 199 - P.32/96.
Presented by the Housing Committee.
2. Draft Housing (General Provisions) (Amendment No. 12) (Jersey) Regulations 199 - P.33/96.
Presented by the Housing Committee.
3. Draft Matrimonial Causes (Amendment No. 9) (Jersey) Law 199 - P.34/96.
Presented by the Legislation Committee.
4. Draft Sea-Fisheries (Fishing Nets) (Amendment No. 5) (Jersey)

Regulations 199 - P.35/96.
Presented by the Agriculture and
Fisheries Committee.

5. Establishment of a casino in
Jersey - P.36/96.
Presented by Senator
R.J.Shenton and referred to the
Gambling Control Committee for a
report.

6. Springfield Hall, St. Helier:
demolition and reconstruction -
P.37/96.
Presented by the Sport, Leisure
and Recreation Committee.

Arrangement of public business for the present
meeting

THE STATES confirmed that the following matter
lodged ``au Greffe" would be considered at the
present meeting -

Draft Borrowing (Control) (Amendment
No. 3) (Jersey) Law 199 - P.27/96.
Lodged: 13th February 1996.
Finance and Economics Committee.

Arrangement of public business for
the next meeting on 12th March 1996

THE STATES confirmed that the following matters
lodged ``au Greffe" would be considered at the
meeting on 12th March 1996 -

Draft Public Finances
(Administration) (Amendment No. 8) (Jersey)
Law 199 - P.20/96.
Lodged: 30th January 1996.
Finance and Economics Committee.

Draft Housing (Amendment No. 8)
(Jersey) Law 1996 (Appointed Day) Act
199 - P.32/96.
Lodged: 27th February 1996.
Housing Committee.

Draft Housing (General Provisions)
(Amendment No. 12) (Jersey) Regulations
199 - P.33/96.
Lodged: 27th February 1996.
Housing Committee.

Draft Sea-Fisheries (Fishing Nets)
(Amendment No. 5) (Jersey) Regulations
199 - P.35/96.
Lodged: 27th February 1996.
Agriculture and Fisheries Committee.

Springfield Hall, St. Helier:
demolition and reconstruction - P.37/96.
Lodged: 27th February 1996.
Sport, Leisure and Recreation
Committee.

Relief from taxation - questions and answers
(Tape No. 327)

Deputy Jacqueline Jeannette Huet of St. Helier
asked Senator Pierre François Horsfall,
President of the Finance and Economics
Committee, the following questions -

- ``1. Would the President confirm that commercial organisations, such as banks and finance companies are able to obtain relief from taxation in respect of expenditure incurred in relation to the provision of services at properties that they own and rent, such as the employment of caretakers, gardeners, window cleaners and other domestic employees?
2. Would the President advise members of the amount of relief claimed by such commercial organisations for the years 1991, 1992, 1993 and 1994?
3. In the interest of greater equity in taxation, would the Finance and Economics Committee be prepared to allow similar reliefs for private individuals who require the support of domestic or other assistance in order to assist them to engage in paid employment?"

The President of the Finance and Economics
Committee replied as follows -

- ``1. The Income Tax Law allows the deduction of certain expenses in arriving at the taxable trading profits of a company. In broad

terms, the expenses must be laid out for the purposes of the trade.

In Jersey, because of the strict housing regulations, many large employers provide accommodation for their employees. Those large employers are not limited solely to the finance sector. For example, it is common for hotels to provide accommodation for their staff.

I can confirm that the expenses of maintaining accommodation that is being provided for staff are allowable deductions from trading profits and in that context the items that Deputy Huet refers to would be so allowable.

2. These figures are not available. The financial accounts sent to the Comptroller of Income Tax are not presented in sufficient detail to enable this type of information to be extracted,
3. The Income Tax Law permits the deduction of certain expenses from employment income but specifically prohibits the deduction of sums expended for domestic or private purposes. If the Law were to be changed in the way the Deputy requests, there would be substantial problems in defining exactly what was allowable for tax purposes. In practice the operation of such a provision in the Law would, in the opinion of the Comptroller, be very difficult.

A further point is that companies are not entitled to any personal allowances whereas individuals do enjoy that benefit. The policy of successive Finance and Economics Committees has been to raise tax thresholds substantially and in that connexion the 1994 report of the Taxation Working Group - 'Equity in the Tax System' - said -

'The Group supports that policy because of its effectiveness in taking the lower paid out of tax. Setting exemption limits is preferable to trying to determine

the exact expenditure of individuals. Reducing, or extinguishing, the tax burden of middle/low income earners has left them with more of their income to spend as they wish or need.'

For these reasons my Committee does not propose to introduce amendments to the Income Tax Law of the type proposed by Deputy Huet."

Poverty in the Island - questions and answers
(Tape No. 327)

Senator Stuart Syvret presented questions about poverty in the Island to which the President of the Employment and Social Security Committee had prepared a written reply. Because of the detailed nature of the reply the States decided that the questions and answers should be deferred to the next meeting.

Purchase of land for educational purposes - statement

Deputy Evelyn Mabel Pullin of St. Saviour, President of the Education Committee, made a statement in the following terms -

``Members will be aware of the considerable public concern being expressed over media reports that the Education Committee is considering pursuing the purchase of land opposite St. Saviour's School for possible use as a site for a school or additional playing fields. I wish to take this opportunity to set the record straight. The Committee has no intention of building a school on these fields.

The Education Committee is beginning to give some thought to developments which may be necessary beyond the year 2000 and has asked the Director of Education to prepare a report on future land needs for its consideration.

It is difficult to say with any certainty, at this point, what additional land, if any, may be needed. The States have not yet decided on a housing strategy for the Waterfront site; the birth rate has not yet shown any decline and the results of the next census are not yet known. In addition,

consideration of issues such as the need for another town primary school, about which members have been warned, to serve the southern part of St. Helier; the shortage of places for the under fives in the town area; whether additional land will be necessary for playing fields to serve the schools in St. Saviour; and longer term issues such as the possible need to refurbish or replace less than satisfactory schools such as the Victoria College Preparatory School, will all be addressed in the Director's report.

However, I am sure members will understand that even with this uncertainty, given that we have been made aware that this land may become available, my Committee has a duty to register an interest with the owner, through the Property Management Office, and to seek a view from the Planning and Environment Committee as to the suitability of this site and as to whether there is any potential for development at all.

It will be necessary to bring the whole matter to the States before any decision can be made, but in this particular case, we are still at a very early stage indeed in discussions.

I can confirm that the vendor has been notified of the Committee's possible interest in this land but, apart from an initial site meeting between officers of the Education Department, the Property Management Office and the vendor's agent, no negotiations have been entered into. In addition, the Committee does not intend to pursue such negotiations until it has received clear advice from the Planning and Environment Committee. I understand that the issue of the suitability of this land is on that Committee's agenda for next Thursday.

I would remind the House that should the Education Committee be made aware of areas of land which might be available for purchase, it will, as would other Committees, carry out its duty, in conjunction with the Planning and Environment Committee, to ascertain the suitability of the land before rejecting any proposal out of hand. However, let me assure members that, should the Education

and the Planning and Environment Committees decide that it will be necessary to seek approval to acquire land on which to provide additional educational facilities, the matter will be brought back to the House in the normal manner and after full discussion with all interested parties, for that approval."

No. 37 Broad Street, St. Helier: lease of accommodation and car parking

THE STATES, adopting a proposition of the Finance and Economics Committee -

- (a) approved the leasing by the public of the Island from Sherwood Investments Limited of the first and second floor offices, archive storage and car parking spaces at No. 37 Broad Street, St. Helier, for the purpose of accommodating the Financial Securities Division of the Financial Services Department for a period of three years from 25th March 1996 at an annual rent of £30,000 (representing a rate of £12.90 a square foot);
- (b) authorised the Greffier of the States to sign the lease;
- (c) authorised the Treasurer of the States to pay the rent as it became due.

Waterfront Enterprise Board Limited: election of Chairman

THE STATES, adopting a proposition of the Policy and Resources Committee, elected Donald George Filleul as Chairman of the Board of Directors of the Waterfront Enterprise Board Limited, in accordance with Article 39 of the Articles of Association of the Company, for a period expiring on 20th August 2000.

Taxis and cabs in Jersey: re-organisation - P.28/96

THE STATES commenced consideration of a proposition of the Public Services Committee and adopted an amendment of Senator Nigel Lewis

Quérée that after the figures ``1996" there should be inserted the words ``, except that controlled cabs and uncontrolled cabs should be permitted to charge a controlled booking fee, in addition to the controlled fare, when operating as a private hire cab."

Members present voted on the amendment as follows -

``Pour" (35)

Senators

Jeune, Horsfall, Rothwell, Le Main, Le Maistre, Quérée, Bailhache, Syvret.

Connétables

St. Lawrence, St. Mary, St. Brelade, St. Peter, St. Helier, St. Saviour, St. Martin.

Deputies

Wavell(S), Norman(C), St. Peter, H. Baudains(C), Le Sueur(H), St. Ouen, Coutanche(L), Huelin(B), S. Baudains(H), Crespel(H), Pullin(S), Trinity, Carter(H), Johns(H), Duhamel(S), Matthews(B), Routier(H), Dorey(H), Breckon(S), Grouville.

``Contre" (10)

Senators

Shenton, Tomes.

Connétables

St. Clement, Grouville, Trinity, St. John.

Deputies

Walker(H), Layzell(B), Huet(H), St. John.

THE STATES adopted the proposition as amended and agreed, in principle, that the Public Rank Taxi (Jersey) Regulations 1956, as amended, and, if necessary, the Motor Traffic (Jersey) Law 1935, as amended, should be further amended so as to provide for the operation of ``taxis", ``controlled cabs" and ``uncontrolled cabs" in place of the present system of public rank taxis and private hire cabs, as proposed in the report of the Public Services Committee, dated 5th February 1996, except that controlled cabs and uncontrolled cabs should be permitted to charge

a controlled booking fee, in addition to the controlled fare, when operating as a private hire cab.

European Communities Legislation
(Implementation) (Jersey) Law 1996 (Appointed Day) Act 1996 - P.29/96

THE STATES, in pursuance of Article 4 of the European Communities Legislation (Implementation) (Jersey) Law 1996, made an Act entitled the European Communities Legislation (Implementation) (Jersey) Law 1996 (Appointed Day) Act 1996.

Health Insurance (Medical Benefit) (Amendment No. 45) (Jersey) Regulations 1996 - P.30/96

THE STATES, in pursuance of Articles 18 and 46 of the Health Insurance (Jersey) Law 1967, as amended, made Regulations entitled the Health Insurance (Medical Benefit) (Amendment No. 45) (Jersey) Regulations 1996.

Adjournment

THE STATES then adjourned, having agreed that the outstanding item of public business should stand over until the next meeting.

THE STATES rose at 12.50 p.m.

G.H.C. COPPOCK

Greffier of the States.