

**WRITTEN QUESTION TO THE MINISTER FOR PLANNING AND ENVIRONMENT
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 3rd JULY 2007

Question

In the light of the assurances given by the Minister on 19th June to reveal '*all the necessary details in relation to the financial package*' pertaining to the lowering of the road at the Waterfront, will he inform members what overall profit levels are anticipated as likely to accrue to the developer and subsequent owners/leaseholders?

Further, will the Minister inform members what consideration, if any, has been given by him and the Treasury and Resources Minister to the return to government in taxation that will result from the Waterfront development under the zero/ten tax initiative, and if none, will he now do so and report back to members before he returns to the States with the 'Hopkins Plan'?

When can members expect to receive the promised paper detailing the '*extraordinary economic benefits*' to be derived from the capital investment in, and running costs of small museums/galleries elsewhere, and how such benefits can be transposed to the proposed national gallery on the waterfront? Can the Minister indicate to members on which ministerial budget he expects such running costs to be included: Education, Sport and Culture or Economic Development (Tourism)?

Answer

I can confirm that the necessary details of the financial package will be made available when the Waterfront proposals are brought to the States for debate. This will include disclosure of the financial return from the scheme to WEB. However, the profitability levels to the preferred developer are subject to confidentiality clauses and cannot be disclosed. I regret that I am not in a position to release further information on the financial package at this time, as WEB remain in negotiation with the preferred developer and the commercially sensitive nature of this process must be respected. All I can say is that I will only bring forward to the States proposals that deliver a very significant return to the public through WEB.

All property developments profits arising from Jersey land and property, including those on the Waterfront, will continue to be taxed at 20% under Schedule A of the Income Tax (Jersey) Law and the Comptroller of Income Tax will be assessing all such profits on the relevant developer, whether Jersey resident or non-Jersey resident, corporate or non corporate, when the profits arise. Property development profits arising in Jersey are specifically excluded from the 0 / 10 corporate tax proposals.

Officers in the Economic Development Department are working, in consultation with my officers, to deliver a paper evaluating the evidence regarding the potential economic benefits of small art galleries. This will draw on existing studies of galleries elsewhere to appraise the potential for the realisation of such benefits in association with the proposed National Gallery on the Waterfront. The timetable for production of this paper is still being finalised, but I anticipate that it will be available in early September 2007.

I cannot at this stage confirm how the proposed National Gallery's running costs will be funded. This project is at an early stage and a variety of funding options both for the construction and running costs will be evaluated.