

## **2.10 Deputy S. Power of the Minister for Economic Development regarding milk prices:**

Following the announcement that the wholesale price of milk is to increase by 5 pence per litre, or 5 per cent, on 9th May, can the Minister explain why the efficiencies created by a new dairy facility at Trinity are not being reflected in lower milk prices as was claimed would be the case when the States were asked to agree to facilitate the move of the dairy to Trinity from Five Oaks?

### **Connétable L. Norman of St. Clement (The Assistant Minister for Economic Development):**

Of course any price increase is regrettable, particularly in these difficult times, however, this is only the second price increase since 2002 and after this has been implemented the wholesale price of milk will have reduced by nearly 20 per cent in real terms over the past 10 years, indicating significant savings to the consumer due to efficiencies which have taken place. Further efficiencies are now being achieved at the new dairy facility at Howard Davis Farm, for example, the number of production staff has reduced by more than 50 per cent, and the new dairy has reduced the amount of energy used to process milk. But the increased costs of fuel and packaging have overtaken some of the efficiency gains. Regrettably, the increase in operating costs make the price increase essential to ensure that Jersey Dairy can compete with these inflationary pressures.

#### **2.10.1 Deputy S. Power:**

I must question the Assistant Minister to reply in a little better detail on the variation that we have been indicated now as to what was indicated to the Assembly at the time of the debate. This Assembly and the public were led to believe that there could be a price reduction of up to 30 pence a litre at the time of the debate which, when factored into the 5 pence a litre, is almost a 35 per cent increase now on what the public and this Assembly were led to believe. Can the Assistant Minister answer as to how the dairy could have a 35 per cent variance in what was indicated to this Assembly?

#### **The Connétable of St. Clement:**

Certainly I have never suggested there would be a reduction in the price of milk at that sort of level. As I say, in real terms it has decreased by something like 20 per cent over the last 10 years and the dairy has no plans for any increase, certainly they intend to trade through at least to 2015 without any further increase.

#### **2.10.2 Deputy S. Power**

It is obviously riveting Members with this subject, I will follow on with a final question to the Assistant Minister, can the Minister confirm whether or not it is necessary to conduct a 24 hour shift operation at the new dairy?

#### **The Connétable of St. Clement:**

No, I cannot.

#### **2.10.3 Deputy F.J. Hill of St. Martin:**

Is the Minister able to mention how much of that 5 pence is going to go to the producer?

#### **The Connétable of St. Clement:**

The last increase of 7 pence was in 2008 after the *McQueen Review* of which 100 per cent of that 7 pence went to the producer. Of this increase the entire amount will be going to the Jersey Dairy.

**2.10.4 The Deputy of St. John:**

Would it now be possible for the dairy then to subsidise the Education Department with school milk?

**The Connétable of St. Clement:**

The States have made a decision about school milk and as Members were informed during that debate school milk was at a cost to the Jersey Dairy and was subsidised by Jersey Dairy at the time so removing school milk has made a saving to Jersey Dairy.

**2.10.5 Deputy M. Tadier:**

We have been told that the costs are associated with packaging and fuel; these are both environmentally very important issues. Can the Assistant Minister either confirm what efficiencies are being looked at in these 2 areas, and if not would he encourage the dairy to make greater efficiencies, particularly when it comes to fuel consumption which I am sure that they have got a vested interest to do anyway, if they are not doing it already, and to relay these efficiencies to the Assembly at a later date?

**The Connétable of St. Clement:**

Yes, absolutely, certainly. I mean, the move to Howard Davis Farm has enabled significant savings to be made in fuel and in staffing and the dairy are absolutely determined to be as efficient as they possibly can. I will be pleased to provide the Deputy or any other Member with more detailed information if they require it.

**2.10.6 Deputy S. Power:**

So the Assistant Minister in one of his replies to me indicated a reduction in labour costs, I think he indicated the order of 50 per cent. As the transitional phase from old to new within the dairy has now come to a close and the new dairy must be operating efficiently, can the Assistant Minister confirm that if this price increase of 5 per cent does go ahead on 9th May that there will be no more further price increases for the foreseeable future and that the Assistant Minister should seek to find out whether there could be a price reduction in the future?

**The Connétable of St. Clement:**

The dairy recovery plan which started in 2008 is well underway and is on track and, as I said in my answer to the Deputy, looking as far as we can into the future, bearing in mind any lack of variables, the dairy have no intention to ask for a price increase until at least 2015.

**2.10.7 The Deputy of St. Mary:**

May I crave your indulgence not to bring it to an end just so quickly, because I was caught out by the curious disappearance of 2 questions in the order paper. In fact, on my order paper the Deputy of St. John's question is last, it is number 13, of course it bounced to first, I do not quite know how that happened, and then 2 others disappeared and the order paper I was working off with all my notes did not have those jumpings about, so I do crave your indulgence to ask what was question 5 about energy efficiency?

**The Deputy Bailiff:**

The fact that the Deputy of St. John's question was advanced up the order gave you more time rather than less time, Deputy. The order for questions is fixed in accordance with Standing Orders and Members know that order and should be here to ask the questions of which they have given notice and it is a discourtesy to other Members and to the relevant Minister if they are absent from the Chamber. Now, if

there is not some disadvantage to Members failing to observe these courtesies there is a risk that the practice of not being present at the right time would become more prevalent. I also see no reason why Ministers who are the subject of the question should have to hang around awaiting the pleasure of the absent Member. So for these reasons, Deputy, if I may say so, added by the fact that you had the opportunity of asking your question in questions without notice in any event, for these reasons I am afraid you have missed your turn and, therefore, you cannot resurrect it now.

**The Deputy of St. John:**

On a point of clarification, given we have a 2-hour window for our questions and the Ministers are supposed to be in the Chamber along with the remainder of us for the duration of all our debates and our question time, I think you are being a little harsh if I may ask you to reconsider the Deputy's request to fit this one in within our 2-hour limit.

**The Deputy Bailiff:**

There has never been a rule under Standing Orders that the full 2 hours must be taken up in question time, it is a maximum and not a minimum, or not a fixed period, and the practice has been - most of the time, at any rate - not to allow a Member who has missed his turn to ask the question.

**Deputy G.P. Southern:**

I do not believe it has happened that we have run out of the 2 hours before the opportunity arose previously. I think given that we have space within the 2 hours it is perfectly possible, since the Minister has prepared an answer, that he should be able to give that answer to the States at this particular junction.

**The Deputy Bailiff:**

The Chief Minister himself is not in the Chamber because he is attending on the Princess Royal, which is another reason why it is not appropriate to ask the question because the Deputy Chief Minister would have expected the Chief Minister to have answered the question before this time and, therefore, should not have to face the supplementary questions on that point. Do you wish to make a contribution to this?

**Senator P.F.C. Ozouf:**

I am more than happy to answer the question either now or in questions without notice.

**Deputy M. Tadier:**

Can I also make the point, it is slightly unfair on other Members who may not be able to get their question in during questions without notice because the Deputy of St. Mary is maybe eating into that time. I recall that also in the past I think I made the same mistake because I was caught out by the order paper and I think I was allowed to ask my question by yourself, perhaps because I was more contrite when I stood up and apologised to the House for not being here. [Laughter]

**The Deputy Bailiff:**

Your contrition, I am sure, was very valuable, Deputy, but had nothing to do with it. The view that has been taken by those who share the job of chairing this Assembly is that when the time is passed, the time is passed. Therefore, although you are right, I gave you an accommodation on the last occasion, it is not available: the Member should be present.

**The Deputy of St. Martin:**

I do not want to prolong this, and I have no sympathy either for the Deputy of St. Mary because the Deputy should have been here, however, he was not and we are within the 2 hours and if indeed you are not going to allow it can I ask that P.P.C. (Privileges and Procedures Committee) may look at this issue with the view that we do get a definitive ruling because, again, I do not condone what the Deputy of St. Mary is doing but we are within the 2 hours, the time should be there.

**The Deputy Bailiff:**

If I may so, Deputy, you have had a definitive ruling on the Standing Order as it now is [**Approbation**] but of course P.P.C. will have heard what you have to say and will take account if they wish to change the Standing Orders in any way.

**Senator F. du H. Le Gresley:**

As you are talking about Standing Orders could I raise a point of order? It refers to question 4 asked by Deputy Le Claire, the wording of his question is identical bar one word to the wording of his written question and written question answers are submitted at the beginning of this session before we have oral questions. So I would ask whether allowing that second question is an abuse of 10.8 of our Standing Orders?

**The Deputy Bailiff:**

Senator, the view from the Chair is that it was not contrary to Standing Orders for the Deputy to put in a written question and an oral question at the same time. It is very undesirable practice and no doubt the Chairman of P.P.C. will wish to take account of this point. [**Laughter**]

**Deputy P.V.F. Le Claire:**

Can I ask on a point of clarification, why is it undesirable?

**The Deputy Bailiff:**

Because it is requiring Ministers to give attention to a written question and then also have to spend time with their officials, preparing the answers to potential oral questions that follow. Now, there is no reason why you should not ask your written question or there is no reason why you should not ask your oral question, but it seems to me that it is an undesirable practice. However, I wish to make it absolutely plain, Deputy, that you were not breaching Standing Orders in any way at all in doing what you did and there is absolutely no criticism of you in that respect and the Privileges and Procedures Committee will just wish to consider all the arguments in the round in the future.

**Deputy P.V.F. Le Claire:**

Can I thank you for that clarification and also make the point that with the greatest of respect, I would attend upon Privileges and Procedures and ask that they ask me to do that, to argue why I think it is not undesirable. I believe it is desirable.