

**THE STATES assembled on Tuesday,  
8th October 2002 at 9.30 a.m. under  
the Presidency of the Bailiff,  
Sir Philip Bailhache.**

All members were present with the exception of -

Senator Nigel Lewis Quérée - absent  
Celia Joyce Scott Warren, Deputy of St. Saviour - ill.

Prayers

**Human Resources Committee - resignation of member and constitution**

THE STATES noted the resignation of Senator Paul Vincent Francis Le Claire from the Human Resources Committee.

THE STATES, in accordance with Article 28(2)(b) of the States of Jersey Law 1966, and on the proposition of Deputy Jeremy Laurence Dorey, President of the Human Resources Committee, determined that the Human Resources Committee should consist of the President and four other members of the States.

**Matters presented**

The following matters were presented to the States -

**Jersey Harbours: progress towards the Trust Port (P.128/2002) - comments - P.128/2002 Com.(2).**  
Presented by the Finance and Economics Committee.

**Jersey Harbours: Harbour Dues (P.129/2002) - comments - P.129/2002 Com.(2).**  
Presented by the Policy and Resources Committee.

**Committee of Inquiry: procedures for allocation of residential property by Housing Trusts (P.139/2002) - comments - P.139/2002. Com. (2).**  
Presented by the Finance and Economics Committee.

**Committee of Inquiry: procedures for allocation of residential property by Housing Trusts (P.139/2002) - comments - P.139/2002. Com.(3).**  
Presented by the Housing Committee.

**Machinery of Government: election and removal of Ministers and votes of no confidence in Ministers (P.149/2002): comments - P.149/2002. Com.**  
Presented by the Policy and Resources Committee.

**Machinery of Government: freedom of representation (P.173/2002): comments - P.173/2002. Com.**  
Presented by the Policy and Resources Committee.

**Machinery of Government: freedom of representation (P.173/2002) - comments - P.173/2002 Com.(2).**  
Presented by the Privileges and Procedures Committee.

**Kew Gardens, Valley Road, St. Helier: approval of drawings (P.175/2002) - comments - P.175/2002. Com.**  
Presented by the Finance and Economics Committee.

**Working Party on Legal Charges and Practices: Report to the Legislation Committee - June 2001 - R.C.38/2002.**  
Presented by the Legislation Committee.

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

### **Matters noted - land transactions**

THE STATES noted an Act of the Finance and Economics Committee dated 2nd October 2002 recording the following decisions of the Treasurer of the States under delegated powers, in pursuance of Standing Orders relating to certain transactions in land -

- (a) as recommended by the Public Services Committee, the lease from Mr. Vincent Buxton of the three bedroom property known as Goldcroft, Tower Road, St. Helier, (required for occupation by an Assistant Engineer) for a period of two years from 1st September 2002 at an annual rent of £16,500 (representing a rate of £317.31 a week) payable monthly in advance, subject to a rent increase after the first 12 months in line with the Jersey Retail Price Index as at 1st September 2003, on the basis that each party would be responsible for its own legal costs arising from this transaction and with no deposit to be paid by the public;
- (b) as recommended by the Harbours and Airport Committee, the sale to the Jersey Rugby Football Club Limited of Field No. 790, l'Avenue de la Reine Elizabeth II, St. Peter (measuring approximately 5.20.00 vergées) for the sum of £11,000. The Club was to be responsible for undertaking all works necessary to convert the field into a sporting field, and for all the costs relative thereto. A restrictive covenant was to be placed on the field in perpetuity in order to prevent any form of development other than that associated with its permitted use as a sporting facility. The northern boundary would be constituted by the back-edge of the current pavement with the Club being responsible for the maintenance of the bank and all future branchage. The western boundary would be constituted by a new boundary fence to be built by the public, such boundary remaining in the ownership of the public, retaining the usual access rights onto Field No. 790 in order to maintain the said fence. The southern boundary towards Field No. 789 would be constituted by an earth mound in the ownership of Field No. 789 with a relief. The Club would be allowed to establish a boundary fence which did not interfere with the relief along a line with Field No. 789. Each party would be responsible for its own legal costs arising from this transaction;
- (c) as recommended by the Public Services Committee, the purchase from Woodrow Limited of an area of land (measuring approximately 65 square feet) forming part of the Hireride development site at the junction of New St. John's Road and Old St. John's Road, St. Helier, for the purpose of footpath widening, for the sum of £65 (representing a rate of £1 a square foot) together with a compensation payment to the owner, Woodrow Limited, in the sum of £9,935. Terms had been agreed to acquire the land subject to contract and satisfactory title. In addition, it had been agreed that the owner's architectural and engineering fees would be paid in respect of the re-design of the foundation piling detail, the timber frame design and the detailed development drawings to a maximum sum of £4,000, subject to receipted proof of payment. The public would be responsible for the payment of all reasonable legal fees in respect of this transaction.

### **Matters lodged**

The following matters were lodged "au Greffe" -

**Draft Parish Rate (Jersey) Law 200- P.176/2002.**

Presented by the Connétable of Grouville.

**Draft Amendment (No. 23) of the Standing Orders of the States of Jersey - P.177/2002.**

Presented by the Privileges and Procedures Committee.

**Ruxley, Longueville Road, St. Saviour: purchase - P.178/2002.**

Presented by the Home Affairs Committee.

**Jersey Overseas Aid Committee: funding - P.179/2002.**

Presented by the Overseas Aid Committee.

**Mrs. Aline May Moyse, née Gosney: acceptance of bequest - P.180/2002.**

Presented by the Health and Social Services Committee.

**Jersey Financial Services Commission: appointment of commissioners - P.181/2002.**

Presented by the Finance and Economics Committee.

**Draft Highways (Road Humps) (Jersey) Regulations 200- P.182/2002.**

Presented by the Public Services Committee.

**Constitution and membership of the States: referendum October 2002 - P.183/2002.**

Presented by Senator P.V.F. Le Claire.

**Draft Dogs (Amendment No. 2) (Jersey) Law 200- P.184/2002.**

Presented by the Legislation Committee.

**The Haven, La Grande Route de St. Martin, St. Saviour: purchase of land P.185/2002.**

Presented by the Health and Social Services Committee.

**Machinery of Government: composition and election of the States Assembly - P.186/2002.**

Presented by the Special Committee on the Composition and Election of the States Assembly.

### **Arrangement of public business for the present meeting**

THE STATES agreed that the following matters be deferred from the present meeting -

Tax Information Exchange Agreement with the United States of America (paragraph (a) only) - P.172/2002.

Lodged: 24th September 2002.

*Policy and Resources Committee.*

Haut de la Garenne: Incorporation of Trust, appointment of original Trustees, and lease of property to the Trust - P.147/2002.

Lodged: 3rd September 2002.

*Planning and Environment Committee.*

Haut de la Garenne: Incorporation of Trust, appointment of original Trustees, and lease of property to the Trust (P.147/2002) - comments - P.147/2002 Com.

Presented: 10th September 2002.

*Finance and Economics Committee.*

Haut de la Garenne: Incorporation of Trust, appointment of original Trustees, and lease of property to the Trust (P.147/2002) - amendment P.147/2002 Amd.

Lodged: 24th September 2002.

*Planning and Environment Committee.*

Draft Law granting an Act of Incorporation to the Association called "The Haut de la Garenne Trust" - P.148/2002.

Lodged: 3rd September 2002.

*Planning and Environment Committee.*

Draft European Committee Legislation (Implementation) (Cattle Identification) (Jersey) Regulations 200- P.168/2002.

Lodged: 24th September 2002.

*Agriculture and Fisheries Committee.*

St. Helier Street Life Programme - P.170/2002.

Lodged: 24th September 2002.

*Planning and Environment Committee.*

## **Arrangement of public business for the next meeting on 22nd October 2002**

THE STATES confirmed that the following matters lodged “au Greffe” would be considered at the next meeting on 22nd October 2002 -

Tax Information Exchange Agreement with the United States of America (paragraph (a) only) - P.172/2002.

Lodged: 24th September 2002.

*Policy and Resources Committee.*

Jersey Harbours: Harbour Dues - P.129/-2002.

Lodged: 23rd July 2002.

*Harbours and Airport Committee.*

Jersey Harbours: Harbour Dues (P.129/2002) - comments - P.129/2002 Com.

Presented: 24th September 2002.

*Finance and Economics Committee.*

Jersey Harbours: Harbour Dues (P.129/2002) - comments - P.129/2002 Com. - P.129/2002 Com.(2).

Presented: 8th October 2002.

*Policy and Resources Committee.*

Haut de la Garenne: Incorporation of Trust, appointment of original Trustees, and lease of property to the Trust - P.147/2002.

Lodged: 3rd September 2002.

*Planning and Environment Committee.*

Haut de la Garenne: Incorporation of Trust, appointment of original Trustees, and lease of property to the Trust (P.147/2002) - comments - P.147/2002 Com.

Presented: 10th September 2002.

*Finance and Economics Committee.*

Haut de la Garenne: Incorporation of Trust, appointment of original Trustees, and lease of property to the Trust (P.147/2002) - amendment P.147/2002 Amd.

Lodged: 24th September 2002.

*Planning and Environment Committee.*

Draft Law granting an Act of Incorporation to the Association called “The Haut de la Garenne Trust” - P.148/2002.

Lodged: 3rd September 2002.

*Planning and Environment Committee.*

Machinery of Government: election and removal of ministers and votes of no confidence in ministers - P.149/2002.

Lodged: 3rd September 2002.

*Senator S. Syvret.*

Machinery of Government: election and removal of Ministers and votes of no confidence in Ministers (P149/2002): comments - P/149/2002 Com.

Presented: 8th October 2002.

*Policy and Resources Committee.*

Draft States Reform: Reorganization of Committees (Transitional Arrangements) (Jersey) Act 200- P.152/2002.

Lodged: 10th September 2002.

*Privileges and Procedures Committee.*

Draft Public Finances (Administration) (Amendment No. 11) (Jersey) Law 200- P.153/2002.

Lodged: 10th September 2002.

*Finance and Economics Committee.*

Draft Rehabilitation of Offenders (Jersey) Law 2001 (Appointed Day) Act 200- P.156/2002.  
Lodged: 10th September 2002.  
*Legislation Committee.*

Draft Rehabilitation of Offenders (Exceptions) (Jersey) Regulations 200- P.157/2002.  
Lodged: 10th September 2002.  
*Legislation Committee.*

Draft Honorary Police (Amendment No. 2) (Jersey) Regulations 200- P.159/2002.  
Lodged: 10th September 2002.  
*Home Affairs Committee.*

Elizabeth Harbour, St. Helier Commodore Shipping (Jersey) Limited - variation and assignment of lease - P.161/2002.  
Lodged: 17th September 2002.  
*Harbours and Airport Committee.*

Draft Insurance Business (Amendment No. 4) (Jersey) Law 200- P.162/2002.  
Lodged: 17th September 2002.  
*Finance and Economics Committee.*

Draft Misuse of Drugs (Amendment No. 3) (Jersey) Law 200- P.164/2002.  
Lodged: 24th September 2002.  
*Health and Social Services Committee.*

Draft Community Provisions Dual-Use items (Export Control) (Amendment) (Jersey) Regulations 200- P.165/2002.  
Lodged: 24th September 2002.  
*Finance and Economics Committee.*

Draft European Committee Legislation (Implementation) (Cattle Identification) (Jersey) Regulations 200- P.168/2002.  
Lodged: 24th September 2002.  
*Agriculture and Fisheries Committee.*

St. Helier Street Life Programme - P.170/2002.  
Lodged: 24th September 2002.  
*Planning and Environment Committee.*

Kew Gardens, Valley Road, St. Helier approval of drawings - P.175/2002.  
Lodged: 1st October 2002.  
*Housing Committee.*

Kew Gardens, Valley Road, St. Helier approval of drawings (P.175/2002) - comments - P.175/2002 Com.  
Presented: 8th October 2002.  
*Finance and Economics Committee.*

Draft Parish Rate (Jersey) Law 200- P.176/2002.  
Lodged: 8th October 2002.  
*Connétable of Grouville.*

Draft Amendment (No. 23) of the Standing Orders of the States of Jersey - P.177/2002.  
Lodged: 8th October 2002.  
*Privileges and Procedures Committee.*

Jersey Overseas Aid Committee: funding - P.179/2002.  
Lodged: 8th October 2002.  
*Overseas Aid Committee.*

Jersey Financial Services Commission: appointment of commissioners - P.181/2002.  
Lodged: 8th October 2002.  
*Finance and Economics Committee.*

The Haven, La Grande Route de St. Martin, St. Saviour: purchase of land P.185/2002.  
Lodged: 8th October 2002.  
*Health and Social Services Committee.*

### **Additional meeting**

THE STATES, having rejected an amendment of Senator Leonard Norman that the States should meet, if necessary, on Tuesday 29th October 2002, adopted a proposition of Senator Jean Amy Le Maistre that the States should meet, if necessary, on Wednesday, 23rd October 2002 to conclude consideration of the items of public business set down for the next meeting on 22nd October 2002.

### **Health and Social Care Modernisation Fund - P.151/2002**

The Bailiff, in accordance with Rule 4(2) of the Public Finances (General) (Jersey) Rules 1967, as amended, informed the States that the proposition of the Health and Social Services Committee concerning the Health and Social Care Modernisation Fund (P.151/2002 lodged "au Greffe" on 10th September 2002) could not be considered at the present meeting as the Finance and Economics Committee had not yet reported to the States with its recommendations.

THE STATES rejected a proposition of Senator Stuart Syvret, President of the Health and Social Services Committee, that the proposition be considered at the next meeting on 22nd October 2002 -

Members present voted as follows -

#### **"Pour" (12)**

##### **Senators**

Le Maistre, Syvret, Kinnard, Le Claire.

##### **Connétable**

St. Mary.

##### **Deputies**

S. Baudains(H), Breckon(S), St. Martin, G. Baudains(C), Le Hérissier(S), Martin(H), Southern(H).

#### **"Contre" (38)**

##### **Senators**

Horsfall, Stein, Bailhache, Norman, Walker, Lakeman.

##### **Connétables**

Grouville, St. Martin, St. Ouen, Trinity, St. Saviour, St. Brelade, St. Lawrence, St. John, St. P  
St. Clement, St. Helier.

##### **Deputies**

H. Baudains(C), St. Mary, Trinity, Duhamel(S), Routier(H), Layzell(B), Grouville, Huet(H), St. Joh  
Le Main(H), Vibert(B), St. Peter, Dubras(L), St. Ouen, Dorey(H), Troy(B), Voisin(L), Farnham(S  
Ozouf(H), Fox(H), Bridge(H).

### **Disposal of the properties known as Amy's House and l'Hôpital, St. Martin - questions and answers**

(Tape No. 778)

The Deputy of St. Martin asked Deputy Terence John Le Main of St. Helier, President of the Housing Committee, the following questions -

- “1. In relation to the property known as Amy’s House, St. Martin which has been unoccupied for some considerable time, will the President explain -
  - (a) why the Committee decided to sell the property by tender rather than offering it to those on the first time buyers’ list?
  - (b) which estate agent was contracted to carry out the sale?
  - (c) how many offers to purchase were received?
  - (d) what were the lowest and highest tenders received?
  - (e) was the property sold to the highest tender?
2. The property known as l’Hôpital in St. Martin has also been unoccupied for a considerable time. Will the President inform the States whether it is the Committee’s intention to re-let the property or dispose of it in the same manner as Amy’s House?”

The President of the Housing Committee replied as follows -

- “1.(a) Following an earlier recommendation by the Housing Audit Committee, the Housing Committee agreed to sell Amy’s House when it became vacant. In order to secure the best possible price and to act in the fairest manner it was decided to sell the property by way of open tender. This is common practice when selling States assets.

Amy’s House is in need of significant expenditure on repairs. The likely sale value together with associated costs would put it beyond the reach of the majority of first time buyers. It was the Committee’s intention that the proceeds of sale would be used to purchase alternative and more appropriate social housing in other areas.

- (b) Vibert and Bridle have been instructed by the Property Services Department to sell the property. However, until a number of boundary issues are resolved by the Department of Property Services, Vibert and Bridle will not be able to market Amy’s House until they are formally instructed to do so by that department.

(c, d and e)

As the property is not yet on the market, questions (c), (d) and (e) are not applicable.

2. The Housing Committee does not intend to re-let L’Hôpital, which also requires significant expenditure on repairs. The property will therefore be sold by way of tender, subject of course to any sale gaining States approval. The balance of the proceeds of sale of this property will also be used to acquire additional social housing.”

#### **Bus passes for senior citizens- question and answer (Tape No. 778)**

Deputy Roy George Le Hérisier of St. Saviour asked the Deputy of St. Peter, President of the Public Service Committee, the following question -

“Would the President explain what steps the Committee proposes to take to remove the disparity that currently exists whereby free bus passes are granted to female senior citizens at age 60 and to male senior citizens at age 65?”

The President of the Public Services Committee replied as follows -

“The decision of the Defence Committee of the day that introduced free bus travel for senior citizens was that pensioners’ passes should be issued to all local senior citizens of pensionable age. Concession travel passes are, therefore, issued to senior citizens who are local residents and either in receipt of a Social Security old age pension or meet the current age criteria for pensionable age in the Social Security Law.

This will mean that there are certain female residents, those who worked in Jersey prior to 1975 or born prior to 1959, who currently will reach pensionable age at 60 and qualify for concession travel while all others will qualify at age 65.

The Public Services Committee will be reviewing the situation to determine whether the continuation of this policy is unduly discriminatory, and welcomes the views of the Deputy and others in this matter.”

### **Income tax - questions and answers (Tape No. 778)**

Deputy Geoffrey Peter Southern of St. Helier asked Senator Frank Harrison Walker, President of the Finance and Economics Committee, the following questions -

“In his answer to my question on 24th September, 2002, the President stated that the average effective rate of tax on employees fell from 10.2 per cent in 1985 to 9.9 per cent in 2001.

- (a) Does the President accept that comparison with any of the years 1987 to 1992 would have shown an increase in the average effective tax rate? Will the President present to members figures which show the changes in average effective tax rate for all years 1985 to 2001?
- (b) Also in his answer, the President repeated his assertion that five out of ten people pay tax at an effective rate of four per cent or less. Would the President make it clear to members that these figures include all those who pay no tax, and confirm that many of these will be pensioners on low incomes, or those on incapacity or invalidity benefit?
- (c) Elsewhere in his reply he quoted the example of a married couple, both working, with two children (one at university) and mortgage interest of £5,000, who would not have started paying tax until their income exceeded £34,250 in 2001. Would the President confirm that a married pensioner, who has income from various pensions and savings prudently put by for his retirement and is unable to claim mortgage or child allowances, would pay tax at an effective rate of over 11 per cent?”

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

“(a) The comparison of the average effective rate of tax on employees for 2001 shows an increase compared to the average effective rate of tax for any of the years 1987 to 1992. The reason why the average effective rates of tax reduced in the years 1987 to 1992 was due to the substantial increases made in exemption limits from the mid-1980s which were possible because of the buoyancy of tax receipts during that decade, all those increases helping to lessen the burden of taxation on lower and middle income earners. It is still a fact that the average effective rate of tax on employees today is lower than 17 years ago. In 1993, because of the continued increase in exemption limits, 43 per cent of those eligible to pay tax were not doing so and my Committee does not consider that it is healthy or advisable for nearly half of the community to be in a position where they are not paying for the very high level of public services from which they benefit. The equivalent percentage today is 29 per cent which means that a high proportion of the community is still exempt from income tax - all of them in the lower to middle income bracket. The effect of high exemption limits is therefore still helping lower and middle income earners today, as the tax fact outlined at the bottom of page xv of Budget Book 2002 clearly illustrates. That tax fact confirms that, for a married couple with a joint income of £25,000 for 2001, the tax bill in Jersey would be £877, the tax bill in the Isle of Man would be £1,390, the tax bill in Guernsey would be £2,320 and the tax bill in the United Kingdom would be £3,375. It should also be noted that VAT would form part of the additional tax burden payable in the Isle of Man and the United Kingdom. The average effective tax rate on employees for all the years 1985 to 2001 is as follows -

|      |   |      |      |   |      |
|------|---|------|------|---|------|
| 1985 | - | 10.2 | 1986 | - | 10.0 |
| 1987 | - | 9.8  | 1988 | - | 9.3  |

|      |   |     |      |   |     |
|------|---|-----|------|---|-----|
| 1989 | - | 7.7 | 1990 | - | 7.5 |
| 1991 | - | 7.3 | 1992 | - | 7.3 |
| 1993 | - | 7.5 | 1994 | - | 7.5 |
| 1995 | - | 7.6 | 1996 | - | 8.0 |
| 1997 | - | 8.3 | 1998 | - | 8.7 |
| 1999 | - | 8.9 | 2000 | - | 9.5 |
| 2001 | - | 9.9 |      |   |     |

- (b) I can confirm that the five out of ten people who pay tax at an effective rate of tax of four per cent or less includes those who are exempt from tax. The reason they are exempt from tax, of course, is because of the extremely generous tax exemption limits that we have in Jersey which protects all those on low incomes, including pensioners, from paying tax. Of course, some pensioners, including some of whom may be in receipt of incapacity or invalidity benefit, may pay tax, but only if their earnings exceed the exemption limits.
- (c) I am unable to confirm that such a pensioner would have an effective rate of tax of over 11 per cent if the married pensioner has a wife entitled to a pension in her own right. In such a case, his effective rate of tax would be 7.9 per cent. If the married pensioner does not have a wife entitled to a pension in her own right, his effective rate of tax would be 11.4 per cent. I ought to point out that pensioners aged 63 or over are granted higher exemption limits than other taxpayers. For example, a married pensioner over 63 is granted a tax exemption limit of £19,750, compared to the standard exemption limit for a married couple of £17,250. A married pensioner in Jersey aged 63 or over, with earnings of £20,000, would also pay less tax in 2002 than in Guernsey, the Isle of Man or the United Kingdom. The tax bill for such a married pensioner in Jersey would be £68, in Guernsey the tax bill would be £700, in the Isle of Man the tax bill would be £552 and in the United Kingdom the tax bill would be £2,704. It should also be noted that VAT would form part of the additional tax burden in the Isle of Man and the United Kingdom.”

#### **Use of the Jersey Tourism logo on buses - question and answer (Tape No. 778)**

Senator Paul Vincent Francis Le Claire asked the Deputy of Grouville, President of the Tourism Committee, the following question -

“Connex busses operating the new bus service carry a Jersey Tourism logo. Would the President advise members whether an agreement exists between Jersey Tourism and Connex Transport Jersey Limited to permit the use of the Jersey Tourism logo, and if so, when this arrangement was agreed and whether any payment was involved?”

The President of the Tourism Committee replied as follows -

“The Connex Bus livery that includes the Jersey Tourism logo was agreed as part of the contract for the provision of local bus services between Connex and the Public Services Committee.

After the contract was awarded to Connex on 30th April 2002, the livery was chosen by the Public Services Committee on the recommendation of the Bus Strategy Steering Group.

The Tourism Committee was pleased to endorse this use of Jersey’s tourism branding. No payment was involved.”

#### **New North Quay fencing - question and answer (Tape No. 778)**

Deputy Gerard Clifford Lemmens Baudains of St. Clement asked the Deputy of St. Mary, President of the Harbours and Airport Committee, the following question -

“With regard to the New North Quay, would the President inform members -

- (a) of the dates on which consultations with the St. Helier Boat Owners’ Association took place since the debate of New North Quay, St. Helier: erection of fencing (P.88/2002), where they were held, whc

was present and whether a record of the consultations was made?

- (b) of the date of the correspondence from the police regarding the desirability of erecting a fence on the New North Quay?
- (c) whether the Committee sought H.M. Attorney General's advice before deciding to uphold their original decision in relation to the fencing?
- (d) of the date the Committee visited the site subsequent to the debate of P.88/2002?
- (e) of the number of recorded accidents to members of the public in the last five years resulting from cargo operations?"

The President of the Harbours and Airport Committee replied as follows -

- “(a) The Harbourmaster has had numerous conversations with the Chairman of the St. Helier Boat Owners' Association which cannot be specifically dated. The St. Helier Boat Owners' Association have always maintained their stance with their 'Committee being generally in agreement with Jersey Harbours on the matter of the New North Quay' as quoted in their newsletter.
- (b) The report for Emergencies council by the prepared by the States of Jersey Police presented to Emergencies Council on 24th January 2002, which recommended restricting public access, was dated 17th January 2002. This followed a site inspection and report by the Police in the form of a letter with recommendations dated 1st November 2001.
- (c) Yes.
- (d) President, Chief Executive Officer and Safety Officer visited during August, the date was not recorded.
- (e) We do not have accurate statistics on this matter since a formal reporting system has only been set up by Jersey Harbours for all port users in the last few months under the new Port Marine Safety Code. Jersey has no RIDDOR equivalent law (Reporting of Incidents and Dangerous Occurrences) and until this year, individual companies operating in the area may only keep their own records.”

#### **Audit in respect of the Dairy Industry Restructuring Scheme - question and answer (Tape No. 778)**

The Deputy of St. John asked Senator Jean Amy Le Maistre, President of the Agriculture and Fisheries Committee, the following question -

“In answer to my question on 10th September 2002, the President confirmed that there had been two requests for funding for the Dairy Industry Restructuring Scheme, the first supported in February 2002 and the second in July 2002. Would the President advise members -

- (a) whether it is the Committee's intention to ask for funding from the Finance and Economics Committee in order to carry out an audit of the Jersey Milk Marketing Board in view of the sums advanced?
- (b) if the answer to (a) is in the negative, is the Committee minded to carry out an investigation into why it is deemed necessary for the industry to require two exit strategy payments, and if not, would the President explain the reasons for not doing so?"

The President of the Agriculture and Fisheries Committee replied as follows -

- “(a) No, it is not the intention of the Committee to seek additional funding from the Finance and Economics Committee for this purpose, but a thorough review of the dairy industry as a whole is to be undertaken. The Deputy may recall that when the Finance and Economics Committee approved the first request for funding it did so on condition that there would be a fundamental review of the dairy industry. It is clear that this review, which needs to be comprehensive and totally objective, is

the responsibility of the Agriculture and Fisheries Committee. This review will now take place and it will involve additional costs because it will require highly specialised and totally independent expertise. It is intended that the review will be completed by the end of the year. I emphasise that this review will be fundamental in scope. This means that it will need to include the financial and economic position of the industry at all levels.

The dairy industry has also decided to undertake its own review. The Committee welcomes this initiative which will enable the industry to present its own analysis of the industry's situation and to put forward recommendations for the future from the industry's viewpoint. This will be an essential contribution to the comprehensive review now needed. It is of course important to avoid unnecessary duplication of effort and discussions with the industry are already taking place to ensure that the work undertaken is synchronised. The terms of reference for the comprehensive review will be discussed with the industry and agreed with the Finance and Economics Committee to ensure that the conditions set by the Finance and Economics Committee are met.

Finally, I would also mention that the administration and payments under the first Restructuring Scheme were undertaken by the Department, not by the Jersey Milk Marketing Board. These matters have already been audited, at the request of the Department's Chief Officer, by the States Audit and Risk Management Department.

- (b) I have assumed that this question relates to the undertaking of a review. The answer is therefore contained in the response to the first question.

The main issue facing the industry remains that of profitability. This has been severely damaged by recent marketing problems caused by the collapse in market prices for dairy products. This in turn has necessitated the Dairy Industry Restructuring Schemes which have been supported by the States with emergency funding.

The House needs to be aware that even after restructuring the industry will continue to depend for its continued survival on Government support, both direct and indirect. This is the inevitable consequence of a high cost base in the Island and of the absence of economies of scale because the industry is very small - both of which impact adversely on the local industry. It is of course possible to reduce the cost of support, for example by reducing the services provided for the industry by the Department and by transferring more of the costs of the services to the industry through charges. The Committee is currently seeking ways of reducing costs in these ways in order to keep within its reduced cash limit for 2003.

The issues relating to marketing, profitability at farm level and the nature and level of support are all within the scope of the review now to be undertaken."

### **Committee of Inquiry: procedures for allocation of residential property by Housing Trusts - P.139/2002 Comments - P.139/2002 Com. (1) to (3)**

THE STATES, adopting a proposition of Deputy Shirley Margaret Baudains of St. Helier, and in accordance with Article 36B of the States of Jersey Law 1966, as amended, approved the appointment of a Committee of Inquiry to investigate fully the current procedures that are in place for the allocation of residential property by housing trusts that are supported by the Housing Development Fund, and to report back to the States with such recommendations as the Committee considers to be appropriate.

Members present voted as follows -

**"Pour" (25)**

#### **Senators**

Le Maistre, Stein, Syvret, Kinnard, Le Claire, Lakeman.

#### **Connétables**

St. Ouen, Trinity, St. Mary, St. John.

### Deputies

S. Baudains(H), Duhamel(S), Routier(H), Breckon(S), Grouville, Vibert(B), St. Peter, St. Oue Farnham(S), Le Hérissier(S), Ozouf(H), Fox(H), Bridge(H), Martin(H), Southern(H).

“Contre” (22)

### Senators

Horsfall, Bailhache, Norman, Walker, Le Sueur.

### Connétables

Grouville, St. Martin, St. Brelade, St. Lawrence, St. Peter, St. Clement.

### Deputies

H. Baudains(C), St. Mary, Trinity, Layzell(B), Huet(H), St. Martin, St. John, Le Main(H), Dorey(Troy(B), Voisin(L).

### Change in Presidency

The Bailiff retired from the Chair during consideration of the proposition of Deputy Shirley Margaret Baudains of St. Helier concerning Committee of Inquiry: procedures for allocation of residential property by Housing Trusts and Miss Catherine Mary Newcombe, Greffier of the States, assumed the Presidency.

### Projet de Loi (200-) concernant les serments des Connétables et des Centeniers - P.158/2002 (re-issue)

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Loi (2002) concernant les serments des Connétables et des Centeniers.

### Matter lodged

The following matter was lodged “au Greffe” -

#### **Draft Employment (Jersey) Law 200- P.187/2002.**

Presented by the Employment and Social Security Committee.

### **Draft Health Insurance (Medical Benefit) (Amendment No. 56) (Jersey) Regulations 200- P.166/2002**

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. 56) (Jersey) Regulations 2002.

### Change in Presidency

The Bailiff resumed the Presidency prior to the consideration of the proposition of Senator Stuart Syvret concerning Machinery of Government: Freedom of Representation and the meeting continued under his Presidency.

### **Machinery of Government: freedom of representation - P.177/2002 Comments - P.173/2002 Com.**

THE States commenced consideration of a proposition of Senator Stuart Syvret concerning Machinery of Government: Freedom of Representation.

## **Adjournment**

THE STATES then adjourned, having agreed to resume consideration of the proposition of Senator Stuart Syvret concerning Machinery of Government: Freedom of Representation on 9th October 2002.

THE STATES rose at 5.41 p.m.

**C.M. NEWCOMBE**

*Greffier of the States.*