

# STATES OF JERSEY

## SCRUTINY COMMITTEE BLAMPIED ROOM, STATES BUILDING

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**Present:** Deputy Rob Duhamel (Chairman)  
Senator Ted Vibert  
Deputy Gerard Baudains  
Senator Jean Le Maistre  
Deputy Phil Rondel  
Deputy Bob Hill  
Dr Janet Dwyer (Consultant)

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### EVIDENCE FROM:

**DEPUTY M. TAYLOR**  
(Chairman, Agricultural Advisory Board)

**In attendance: Mr C. Newton Director of Environment)**

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on

**Monday, 20th September 2004**

**(11:17:16 - 12:10:07)**

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(Digital Transcription by Marten Walsh Cherer Limited,  
Midway House, 27/29 Cursitor St., London, EC4A 1LT.  
Telephone: 020 7405 5010. Fax: 020 7405 5026)

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DEPUTY DUHAMEL: Good morning. Right, you know everybody around the table?  
DEPUTY TAYLOR: Yes.  
DEPUTY DUHAMEL: And **this** is our consultant, Dr Dwyer.

DEPUTY TAYLOR: Yes, hello.

DEPUTY DUHAMEL: Right. I have to read you the Riot Act first of all.

DEPUTY TAYLOR: Right.

DEPUTY DUHAMEL: It is important that you fully understand the conditions under which you are appearing at this hearing. You will find a printed copy of the statement I am about to read to you on the table in front of you.

Shadow Scrutiny Panels have been established by the States to create opportunities for training States Members and Officers in developing new skills in advance of the proposed changes of government. During the shadow period, the Panel has no statutory powers and the proceedings at public hearings are not covered by Parliamentary privilege. This means that anyone participating, whether a Panel Member or a person giving evidence, is not protected from being sued or prosecuted for anything said during hearings. The Panel would like you to bear this in mind when answering questions and to ensure that you understand that you are fully responsible for any comments you make.

DEPUTY TAYLOR: Yes, I understand that. Thank you, Mr Chairman.

DEPUTY DUHAMEL: Thank you. Right, so we kick off the proceedings. Could you actually outline for the Panel your understanding of the proposed Agri-Environment Scheme that was put forward in 2002?

DEPUTY TAYLOR: Well, firstly, can I just say that I understand I have been asked to come here as Chairman of the Agricultural Advisory Board and to answer any questions that the Board might have come to on the scheme, and the Board has not actually consulted about the Agri-Environmental Scheme.

DEPUTY DUHAMEL: Right, so you are saying ----

SENATOR LE MAISTRE: Having said that, can we understand that? The Board being the Advisory Board?

DEPUTY TAYLOR: The Agricultural Advisory Board set up by the Island Development Committee.

SENATOR LE MAISTRE: Which has now been in place for?

DEPUTY TAYLOR: It has been in place since about February last year.

DEPUTY HILL: Do you mean 2003 or 2004?

DEPUTY TAYLOR: 2003.

SENATOR LE MAISTRE: 2003.

DEPUTY TAYLOR: And when it first came into being, the Board was tasked with looking at the transfer of functions from the old Ag & Fish Committee to the Environment & Public Services Committee and the Economic Development Committee. That bit of work took all year and into 2004.

SENATOR LE MAISTRE: So could we just understand, because it is a question for the record because, as you know, this is being taped? The Fundamental Spending Review which has looked at the bids, there would have been no input by the Agricultural Advisory Board. There was by the Countryside Panel -- we know that -- but what you are saying is there would have been no input whatsoever by the Agricultural Advisory Board into that process.

DEPUTY TAYLOR: That is correct.

DEPUTY DUHAMEL: Right. Deputy Rondel?

DEPUTY RONDEL: Yes. That being the case, can you give us a reason why the Agricultural Advisory Board have not discussed the Agri-Environment Scheme?

DEPUTY TAYLOR: Well, how the Agricultural Advisory Board works is that EDC tasks the Board with looking at various subjects and so last year, for instance, as I have just said, we were asked to look at the whole area of the transfer of functions from the old committee of Agriculture & Fisheries. We were then tasked with looking at part of the dairy industry and this year we have been tasked with looking at the review, the new Countryside Renewal Program. So at no time has the Board been tasked ... our remit comes from EDC.

SENATOR LE MAISTRE: Of which you are a Member?

DEPUTY TAYLOR: Of which I am a Member.

SENATOR LE MAISTRE: So could you please explain to us how important you view the Agri-Environment Scheme which was approved by the States, indeed which was voted on in terms of funding by the States, which has subsequently not been granted through the FSR process? What is the view of EDC on that situation? Does it seem to be acceptable or does it seem to be unacceptable?

DEPUTY TAYLOR: Well, I'm not sure if I'm here to answer that question, because, as I understand it, it says here "*As Chairman of the Agricultural Advisory Board, the view of the*

*above Board regarding the AES as proposed, the view of the Board regarding the lack of implementation and whether there has been any advantages or disadvantages of non-implementation of the Scheme.”* The whole thrust I get from you asking me to come here was to ask questions as to the Board’s views and not my views as an individual Member of EDC.

SENATOR VIBERT: But that is only a general guide as to the kind of questions which you may well be asked at the hearing and we may cover. That doesn’t preclude us from covering any other matters that this Panel wishes to develop.

DEPUTY TAYLOR: I didn’t realise that. I thought this was a briefing sheet for Deputy Taylor, as Chairman of the Agricultural Advisory Board.

SENATOR VIBERT: But it is just a brief. It is a brief -- that is all it is -- but it doesn’t preclude us from asking ... matters may arise here that we may wish to question you about.

DEPUTY TAYLOR: That is quite okay, but I just feel ... I didn’t know this, and I think it would have been useful if it had been put on this briefing paper, that any other questions to do with the Agri-Environmental Scheme would have been asked of me, because I have come here prepared to try and answer any questions that the Board may have been aware of and there is no mention here of answering questions generally about the Agri-Environment Scheme either personally or as a Member of EDC. I don’t dispute the fact, but I’m just saying that it would have been very useful if I’d been forewarned about that.

SENATOR VIBERT: I would have thought that would have been reasonably obvious, the way the Panel operates.

SENATOR LE MAISTRE: Could we try to turn this into sort of a productive session, really in terms of I am trying to understand the link between the EDC, the Agricultural Advisory Board and the Environmental Committee, because it is a triangle here in terms of delivering the way the States’ Budget has been approved and in terms of the benefits to the Island as a whole. We have moved to a new system which is meant to be more joined up. It seems to me that we have, or it would appear have, actually become more fragmented in terms of the delivery of environmental benefits by the agricultural industry which don’t plug into the EDC because they are linked inevitably. So can you please explain to me how (and coincidentally you happen to be a Member of the other Committee as well, so you must know about this from your membership of that Committee), so can you perhaps explain, for the benefit of the Panel,

how that actually is going to work?

DEPUTY TAYLOR: I am not sure how it will work, but, for the benefit of the Panel, all direct payments have stayed with EDC and the Agri-Environmental Scheme has moved across to the Environment & Public Services Committee. So the Environment & Public Services Committee is charged with trying to bring in the Agri-Environmental Scheme. The part that stays with the EDC is the direct payments, for instance, to the growers, the issue of land rentals and possibly the issue of a land levy, a development levy, and things like this to try and release cash, more cash, for the farmers. I am not sure if that really answers your question about how the EDC and the Environment & Public Services Committee link up with the Agri-Environmental Scheme, but that is difficult. I would have thought now the Agri-Environmental Scheme really rests quite firmly with Environment & Public Services.

SENATOR LE MAISTRE: But the link to the industry must be through EDC, unless Environment & Public Services is going to have its own method of communication to the industry.

DEPUTY TAYLOR: Well, I know there are going to be a number of service level agreements, and it could well be that the link will be through a service level agreement -- these services level agreements haven't been finalised yet -- between EDC and Environment & Public Services on a number of issues about, for instance, how the advisors work and whether any laws will be repealed. It could well be that, on the Agri-Environment Scheme, through the advisers (because there is an SLA here to join up Environment & Public Services and the Economic Development Committee) just might be the way forward.

DEPUTY DUHAMEL: Okay. Senator Vibert?

MR NEWTON: If I can just add to that. You will be aware that, within the States' Strategic Plan, there are a couple of items that essentially deal with the future of the rural economy, within which something like an agri-environment scheme is still mooted. The approach to dealing with that is very much a cross committee approach and both the Economic Development Committee and the Environment & Public Services Committee are effectively jointly charged with taking that forward, because clearly the policies that we will need to progress sit in both camps. As a result of that, the sort of working plan that we are developing at the moment and are working on is cross committee and involves contributions from the

Agricultural Advisory Board that Deputy Taylor chairs, but also involves contributions from the Environment Forum and from officers across both departments. So it is very much an example of committees working together for a common strategic goal.

DEPUTY DUHAMEL: Senator Vibert?

SENATOR VIBERT: Yes, if I can just pursue that particular issue, it would appear from what Deputy Taylor has told us that the Board in fact had not been consulted at all on the Agri-Environment Scheme, so you had not actually dealt with it with them at all. That is clear, isn't it? That is your view. So you actually haven't discussed it. So can I just put this to you, and I hope Mr Newton can help us as well, that when the Scheme was discussed after it had moved over to Environment & Planning, it would appear that you had discussions with the Jersey Environmental Forum about the Scheme and you discussed that with them quite deeply and, as a result, that Forum sub-group recommended certain recommendations as to how the Agri-Environment Scheme should go forward, and one of those discussions was the removal of conditionality clause in it.

Now, I want to ask Deputy Taylor, first of all, why is it that the Advisory Board had not been consulted on this, because it has gone, the bid document has gone, to the Fundamental Spending Review for 2005, which contains the removal of this conditionality clause, and yet your President this morning didn't even know that had happened? If we are talking about cross committees, it would appear that the left hand doesn't know the slightest what the right hand is doing. I would ask you whether you think it is right that the Advisory Board has not actually dealt with this matter.

DEPUTY TAYLOR: Well, we deal with the matters that we are asked to look at by EDC because it is an EDC run board. It could be, I don't know, that the people who sit on the other panel that gave advice on conditionality, for instance, were also many of the same people that sit on the Advisory Board. I should imagine you have people from the Jersey Farmers' Union and people from the dairy industry on this board. So it could well be that it is very similar people sitting on this one group. I am not sure about that, but I would have thought there would have been.

SENATOR VIBERT: But even if it was true they are two separate entities ----

DEPUTY TAYLOR: They are.

SENATOR VIBERT: ---- representing two quite separate positions, surely we are looking at an agricultural scheme and for the Agricultural Advisory Board not to have been involved in the decision making when it went to the 2005 bid, which contained a serious change in what was originally proposed, the Advisory Board and the Economic Development Committee should have known about it, but clearly they don't know about it. That, it would appear to me, is a very serious example of a complete failure of communication between the two committees.

DEPUTY TAYLOR: Well, I agree that perhaps the Agricultural Advisory Board should have been tasked with looking at this, but we were extremely busy last year with this transfer of functions. It was eating up all of our time and it was very controversial, but possibly you are right there, Senator Vibert.

MR NEWTON: Could I just make a comment on the chronology of events here, because I think it is fair to say that the first bid that went forward for agri-environment went to the FSR 2004 process, which took place in the calendar year 2003. That was taken forward by the Economic Development Committee with support from Environment & Public Services Committee, as the bid document actually says.

Following that, if you like, failure to secure funding in the FSR process, as I have set out in my notes to the Committee, we were in a sort of slightly limbo position between which committee was holding the ball, partly because we were moving to this change process that Deputy Taylor has already referred to. It became apparent that certain aspects of what was then or what had been Agriculture & Fisheries would ultimately come across to Environment & Public Services.

At that point, I started taking an interest in those things which would be coming my way basically and we started to look at how that scheme could be made more saleable. I think one of the issues at the time was to do with how it would become a doable scheme when taken out of the context of being part of a whole package of policy measures and part of a whole package of funded measures that the industry at the time had been on board with. I think there is a very different perception of the industry when they are looking at making co-funding commitments to agri-environment when they were thinking they were going to be in receipt of increased funding over the next four or five years and making a commitment to co-funding

when they had just been told they weren't going to get any funding, or any additional funding, over the next four or five years. So that was one thing they had to address.

Just to continue the chronology, the Agricultural Advisory Board were totally immersed in the transfer of functions and the dividing up of the responsibilities in Agriculture & Fisheries at that time. That carried through to the point in 2004, as in earlier this year, when we were tasked with putting forward the growth bids for the FSR 2005 process. So, at that point, the bid, the growth bid, went forward. It went to the Environment & Public Services Committee. It didn't go to the Economic Development Committee and it hadn't had, at that time, the benefit of the Agricultural Advisory Board's input. However, just to conclude my slightly long story, the work that we are now doing relates to the Strategic Plan, which postdates FSR 2005 and we are working together collectively as a committee, as committees and as committee officers, to pull it together.

DEPUTY DUHAMEL: Deputy Rondel?

SENATOR VIBERT: Can I just continue in that area? What that really means, doesn't it, is that the Environmental Forum and the Committee actually changed the whole slant of this Agri-Environment Scheme and put it forward to the Fundamental Spending Review not as the proposal that had been approved by the States, but as a new proposal, because it had removed conditionality out of it and it made a huge difference to the whole scheme. I want to put this to Deputy Taylor. Do you think it is right that a decision made by the States and approved by the States is then put forward to the Fundamental Spending Review and changed by a committee over and above the decision made by the States?

DEPUTY TAYLOR: The way you put that, I think possibly any changes should have gone back to the States for approval.

SENATOR VIBERT: Thank you.

DEPUTY RONDEL: Thank you, Rob. Given that ----

DEPUTY TAYLOR: Can I just ask Chris to comment as well?

SENATOR VIBERT: It is a question for a politician. I deliberately didn't ask Mr Newton the question because it is a political question.

MR NEWTON: I wasn't going to answer it, but I was going to draw attention to the evidence given earlier by Senator Le Sueur when he spoke to this Panel, where I believe he said it was



the right of any individual committee to put forward whatever propositions they so chose to the Fundamental Spending Review process and whether or not that mirrored a former proposition of another committee was a matter for them, provided they made it clear what they were doing.

SENATOR VIBERT: Equally, we had Senator Walker saying completely the opposite, so we are aware of those views.

MR NEWTON: Okay.

SENATOR LE MAISTRE: Can I just pick up there, because it is important to recognise that a committee is a continuum. A previous committee, putting forward a proposition to the States, it is the States' decision which overrules not an individual committee subsequently changing it. There is an issue, and I think that we are our drawing out, and the Scrutiny process has certainly drawn this out, that the States make a decision which can then be overruled by the Committee of Presidents. That is an issue, I think, that needs to be addressed as to whether, if there is to be a change in policy following the States' decision, that matter should only be effected if the States endorse it.

DEPUTY DUHAMEL: Deputy Baudains.

DEPUTY BAUDAINS: Thank you. Having heard that the Agricultural Advisory Board takes its workload from the EDC Committee and that apparently you were very busy with realignment and reorganisation during the past year, I am beginning to get the feeling that the Agri-Environment Scheme possibly suffered as a result and did not get the priority and the support and promotion that some people might have expected it was getting. Would that be a correct analysis or not?

DEPUTY TAYLOR: I am not sure about that. I mean, the Agri-Environment Scheme was agreed by the States, so that was a done deal.

DEPUTY BAUDAINS: I got the impression that nobody was driving it because they were busy reorganising other things.

DEPUTY TAYLOR: Well, I am not sure. I think it had been agreed by the States. It was in place and we had a huge item of work to do with the transfer of functions.

SENATOR VIBERT: But the FSR had actually refused it.

DEPUTY TAYLOR: Yes.

SENATOR VIBERT: When you came into office.

DEPUTY TAYLOR: Yes.

SENATOR VIBERT: So it was a matter then, and that is why I think Deputy Baudains is asking that question, because in fact, from that point on, it wasn't driven by anybody as a matter of urgency or seriousness.

DEPUTY TAYLOR: Well, Senator Horsfall did say in the debate that, even if the States were to agree the funding, it would still be subject to the Fundamental Spending Review.

SENATOR VIBERT: Sure, yes.

DEPUTY TAYLOR: So I suppose one could say that it has done the process. It has been voted for in the States. It has gone to the Fundamental Spending Review and not got above the line. Then we tried again. I'm not sure what more we could have done.

DEPUTY DUHAMEL: Deputy Hill?

DEPUTY HILL: Can I come in on that one actually, because this is something which I am interested in, because we have had other situations where milk hasn't got through and has come back.

DEPUTY TAYLOR: Yes.

DEPUTY HILL: And just recently we have had Hansard that didn't get through and has come back.

DEPUTY TAYLOR: Yes.

DEPUTY HILL: What discussion was there on your Committee where you sit to discuss the failure of the Agri-Environment Scheme to meet the FSR ruling? Did it come back to you for consideration ----

DEPUTY TAYLOR: It did come.

DEPUTY HILL: ---- given the possibility of the Committee taking it back to the States and saying "Look folks, you agreed to this in July 2002 and yet the Presidents are saying no." Don't you think that, as a member of the EDC with responsibility for agriculture, that someone on your Committee should have taken it back to the States?

DEPUTY TAYLOR: Well, it was made very clear to me that we were getting into deep waters with our finances and we had to be very careful about spending money available and that other items had a much clearer and a much higher priority than the Agri-Environmental

Scheme. I think I have to say, you know, that I think the Scheme was a very good scheme and I think, if we had pots of money, it would be great. But at the moment we do have to cut our cloth to fit and I just think that, in the present political climate, where health and education and drains and everything else are demanding that money be spent, that the Agri-Environmental Scheme is a “*very nice to have*”, it has been agreed by the States, but the caveat is that it has to make the bid at the Fundamental Spending Review. It clearly didn’t, and the way it was put to me after the Fundamental Spending Review was that it had no chance in the present political climate of making it above the line.

DEPUTY HILL: But don’t you see it that your Committee or you in particular -- I say you in particular because I understand you have responsibilities for the agricultural industry -- don’t you think it would have been incumbent really upon either yourself as an individual or, better still, as the Committee, as we have just had the Privileges Committee come back to argue their corner for Hansard, don’t you think it would have been better or should have been put upon your Committee to have taken it back to the States to seek approval?

DEPUTY TAYLOR: But it was made very clear by the President that it fell a long way below the line. I had the impression that it had no chance of making it above the line.

DEPUTY HILL: I understand you

SENATOR VIBERT: Whilst we are on the subject ----

DEPUTY RONDEL: I am on the subject as well.

DEPUTY DUHAMEL: Deputy Rondel has been waiting a while. I thought it was a new subject, but it is the same one.

DEPUTY RONDEL: It has all fallen back into the same area. As you are an EDC Member, but also a Member of Environment & Public Services with a responsibility for agriculture, did you not think it your duty to put to the EDC Committee that they should be looking and pushing, or you should be pushing with their support, that the Agricultural Advisory Board should be looking at the Agri-Environment Scheme? You don’t believe that that was part of your remit as the agricultural Member on that Committee?

DEPUTY TAYLOR: At what time are you talking about here?

DEPUTY RONDEL: At your meetings last year in EDC.

DEPUTY TAYLOR: Quite honestly, at our meetings last year, we were so bogged down with

the transfer of functions we could not have coped with anything else. It was very, very controversial.

It took up a huge amount of time and there was a huge amount of debate about where all the functions should go, where the budgets should go. We were not in a place to discuss anything else at all.

DEPUTY RONDEL: Well, what about earlier this year? You still let the whole thing drop.

DEPUTY TAYLOR: Well, this debate about the transfer of functions went on until the end of February/beginning of March, because right up until D Day we were still discussing it and it was still a controversial item. I think Chris will back me up on that.

MR NEWTON: Absolutely, yes.

DEPUTY RONDEL: But it basically comes back to what I was saying.

DEPUTY DUHAMEL: Senator Vibert.

SENATOR VIBERT: Yes. I would suspect that the Director of Environment would be pulling his hair out at the thought that this matter to do with the environment was so important to Jersey is something that is (quote) “*nice to have*”. The problem, surely, you would recognise with environmental matters is that they will always take second place to all the schemes that we put them alongside of health, education and all the needs of the community. It is what environmentalists have been fighting for for years and years, that the matter is not taken seriously by politicians who have to prioritise the situation. It is a difficult argument for the environmental people to put forward, but clearly the States made a decision, having debated all of this and it wasn’t a “*nice to have*” situation; it was considered by the States that it was crucially important that the Island had an Agri-Environment Scheme. That is why they voted for it. I am just wondering how you can justify that statement that it is something that is “*nice to have*” as a Member of the Committee that has the word “*Environment*” in its words.

DEPUTY TAYLOR: Well, I have been around to many farmers and I have seen the files and files and files that farmers have to do to meet supermarket protocols. I have talked to a lot of people about the environment in Jersey and I come away with the impression that the environment in Jersey is actually very well looked after. It can always be looked after better. We can have access to the countryside, we can have more hedgerows, more valleys and all kinds of things, but actually, on balance, the environment in Jersey is extremely well looked after.

The Agri-Environment Scheme takes it up a further step and it would be very nice to have it and, if we had plenty of money, it would be great to be able to show that we have an outstanding environment. But the way that the Senator is possibly putting it across, with due respect, is that our countryside is in a terrific mess and we really must have this scheme to get it out of the mess. I don't believe that it is on that kind of a level.

SENATOR VIBERT: With respect, you put some words into my mouth that don't exist. I never said anything like that or given that impression. I'm simply asking you a question, because it was you who used the phrase that it was something that would be "*nice to have*", as to where the priorities actually lay. I was putting to you the difficulty that environmentalists have, and that includes the Director of Environment, if the attitude is going to be permeated throughout the States in respect of the way agriculture has to look after the environment. Before this Panel a number of agriculturalists have made it very clear that they think farmers are the best people to be looking after the environment and, you know, they would encourage and would like to see a decent scheme whereby they can be encouraged to continue good environmental practices, not just to meet protocols with food, because that is the farming side, but to protect the Island for the people of Jersey.

DEPUTY TAYLOR: With due respect, the supermarket protocols are not just the food. The supermarkets want to show that the food is grown in an environmentally friendly landscape.

SENATOR VIBERT: I accept that, but, if you look at the Agri-Environment Scheme, it takes it beyond that.

DEPUTY TAYLOR: It does, yes.

SENATOR VIBERT: And it takes it beyond that because it wishes to do things for the people of Jersey, not to necessarily improve the crop yield and all the other things that go with their protocols. What the States of Jersey decided was that those best protocols were basically not enough to protect the environment of Jersey.

DEPUTY TAYLOR: But the protocols are increasing year by year. Every year the protocols are becoming tighter and tighter.

SENATOR VIBERT: I will let other members deal with this.

SENATOR LE MAISTRE: Can I pick up on the "*nice to have*" because I think that is a very important phrase? Perhaps it implies a misunderstanding of what the Agri-Environment

Scheme was intended to achieve. Can I ask, are you aware that the two main pillars of the Agri-Environment Scheme were (1) the reduction of nitrates, which is actually to meet international standards of which we are so proud amongst areas except nitrates, and (2) to protect water from pollution because of slurry or other similar problems? Would you describe those two elements -- we need not go any further than that -- as being "*nice to have*" and, if you do, do you believe that that is the view held by those who made the decisions not to fund the Agri-Environment Scheme, which had been accepted by the States?

DEPUTY TAYLOR: I think, regardless of the Agri-Environmental Scheme, it is very important to have the slurry pits in place in the next few years. This is a funding issue. We have to find money for the slurry pits, for the dairy farmers and I do think it is important and I think it is more than a "*nice to have*".

SENATOR LE MAISTRE: What about nitrates?

DEPUTY TAYLOR: I have read many papers which actually say that high levels of nitrates in drinking water might possibly be good for you.

SENATOR LE MAISTRE: So are you saying, as the person responsible for agriculture in the Island, that you do not support initiatives to meet international standards?

DEPUTY TAYLOR: I think one needs to go a bit deeper than that. I have read many papers by eminent scientists which go to say that it has not been proven that high nitrates in drinking water are necessarily harmful to human health.

SENATOR LE MAISTRE: That actually hasn't answered the question.

DEPUTY TAYLOR: Well, no, but it is a very ... It's a very ... I'm just trying to say that I have read surveys which have shown, in parts of the UK for instance, where there are high levels of nitrates, there has never been ... we talk about nitrates causing "blue baby syndrome". There has never been a "blue baby syndrome" ever in Jersey, not ever.

SENATOR LE MAISTRE: But are you saying that Jersey should not attempt to meet the international standards?

DEPUTY TAYLOR: I'm just saying -- and this is only a very personal view and of course not a Board view and it is not a Committee view either, it is just a personal view I have -- that I would just like to see the proof that nitrates in water cause harm to human health. I have not seen any proof, and I have read a number of papers on it which seem to show that the opposite

is true. I would like to see the proof. I mean, according to the figures in Jersey where we have very high nitrate levels, the hospital should be full up with people suffering from poisoning or ill health through nitrates. It is not.

SENATOR LE MAISTRE: No, but that is because the Waterworks Company either distils the water supplies, which go to the consumer, by use of the desalination plant, to meet the international standards. Mr Newton may absolutely contradict that, although I doubt it ----

DEPUTY TAYLOR: Well, I'm just thinking ----

SENATOR LE MAISTRE: But the purpose, which again I would like to draw out because I think it is perhaps drawing out one of the underlying misunderstandings here, is that we meet international standards through the Jersey Waterworks Company because of the way they treat the water, and they have talked about de-nitrification, if you remember, at vast expense, huge sums of money.

DEPUTY TAYLOR: Can I just come in here?

SENATOR LE MAISTRE: And, therefore ----

DEPUTY TAYLOR: I think this could be an excellent piece of work for the Scrutiny Committee to look at. I think this would be a really excellent piece of work, because there are very controversial issues about the amount of nitrates in water and what it does to human health. People are talking about spending a huge amount of money to come up to international regulations and many of us are often saying that we shouldn't automatically follow international obligations and sometimes we should question them, and I think that this would be a really good piece of work for the Scrutiny Committee.

SENATOR LE MAISTRE: I think they have been questioning things, but we nevertheless at the moment, unless the Committee is about to bring forward a proposition which suggests the States should not invest in this sort of protection, we are committed to meeting international obligations, as we are at present. Now, perhaps the Director of Environment will correct me if I am wrong, but we can't have it both ways. Either we maintain our commitment or we actually fly in the face of it and say "No". I don't know where we stand in that case, because you are politically responsible for the industry and for determining a policy which seems to me to run counter to what the States has accepted.

DEPUTY TAYLOR: This is only a personal view on nitrates and, naturally, if we have go to

with our international obligations, we will do that, but I am just flagging up that I think it will be an excellent piece of work for Scrutiny to do, because we are talking about large sums of money here and I have read numerous papers which seem to show that it may not be necessary.

MR NEWTON: Can I just ----

DEPUTY DUHAMEL: I think people have made this point. Can we move on, in fairness to other people?

DEPUTY RONDEL: Chairman, I have one

DEPUTY DUHAMEL: Deputy Baudains?

DEPUTY BAUDAINS: Thank you, Mr Chairman. I asked earlier about prioritisation. I wondered if the work that the Board was doing in realignment and reorganisation had taken up its full quota of time, and I think you have made the point that it did, which brings me back to the point that it seems to me that ... I mean, I am keen to find out why the Agri-Environment Scheme has not progressed. I think basically that is what the Board is trying to find out. It does seem to me, from comments made since that question I asked earlier, that essentially the Committee has capitulated. They have decided that this Scheme has no chance of making the FSR and I really wonder whether they are promoting it with the vigour that would make it succeed. I am getting a feeling of a total lack of enthusiasm by the Board and the Committee for this Scheme and that way it will never make the FSR.

DEPUTY TAYLOR: I don't think it is fair to say there is no enthusiasm. I think everybody is enthusiastic about it, but we also are aware that, in this political time we live in now, there is a huge restraint on spending and there just isn't the money available to carry out the Scheme as it was passed by the States. But I think we ought to look at ways of introducing environmental measures to farmers and we ought to look perhaps at starting with a smaller scheme or starting with a similar scheme slowly and trying to make our way forward, rather than perhaps trying to bring the whole scheme in all at once. I just don't see how we are going to get the money voted for at the moment.

DEPUTY BAUDAINS: But do you have a prioritisation within your Committee for all the various schemes that you do have to support?

DEPUTY TAYLOR: The highest priority in our Committee for agriculture was to maintain the direct payments to the agricultural industry.



DEPUTY BAUDAINS: Right.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Yes. If we can get back to “*nice to have*”, is the Director of the Environment supportive of that comment and would you allow him to answer that freely, please, Deputy?

DEPUTY TAYLOR: Yes, yes.

MR NEWTON: My view clearly is that the advancement of environmental issues in Jersey is fundamentally important, but I would say that, wouldn't I? That is my job. That is what I do. I think it is correct to draw out the fact that the benefits that would flow from the scheme are many and diverse and would relate to improving Jersey, for instance, as a tourism destination and it would improve the quality of life for people here. So the benefits are quite widespread. What I can't do, because I am not a politician, is to take a view or a stance on whether those important benefits are more or less important than other things that are brought to the party, in terms of seeking funding. That is a political decision and that is for you guys to sort out.

DEPUTY DUHAMEL: Senator Vibert?

SENATOR VIBERT: I wonder, can I ask the Director of the Environment, on this question of international standards, it would appear to me, listening to the arguments this morning, that we want to pick and choose which standard which we wish to apply. My understanding, sitting on the Committee, and the view of the current or no longer current President, but the former President, was that we must meet international standards on all matters to do with the environment and we were going to be committed totally to doing that. I just wondered how he feels about the view that perhaps we might not do that and we might pick and choose.

MR NEWTON: If I may answer it, I think Deputy Taylor made clear that the views he was expressing were personally held views.

SENATOR VIBERT: As a States Member, as a Member of the States.

MR NEWTON: The views of the Committee so far have been, for instance, in respect to water, that the appropriate international standards should be adopted. That was made clear in the so-called “*wholesomeness*” debate in the States. The Committee have not taken a view that those standards should be deferred from.

SENATOR VIBERT: And our waste?

MR NEWTON: Just to finish on the water point and specifically on water and nitrates, there is currently a derogation, which the Committee approved, to the Jersey Waterworks Company, to provide water with a slightly higher than international standard over a five period while things are done to rectify the position. So I guess that creates an assumption that things are going to be done to rectify the position over the next four or five years. As you say, across a wide range of subjects the assumption is, and I believe it is also States' policy, that Jersey should aspire to equal or better standards that apply elsewhere in the European Union. I believe I have seen that written down, although I can't recount the particular States debate it emerges from.

SENATOR VIBERT: It is in the Strategic Plan, I think you will find.

MR NEWTON: Okay.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: Sorry, I hope to be very brief with this. Given that your main workload in 2003 was the business of the transfer of responsibilities, and for us in trying to understand why a scheme which was approved in 2002 is still not up and running, I think it might be interesting to know what the rationale was behind the transfer of the AES to the Environment & Public Services Committee.

DEPUTY TAYLOR: The rationale behind it was to look for savings. There had been criticism over many years that the amount of personnel and the budget at the old Agriculture & Fisheries Department was excessive and it was felt that, by transferring functions and making better use of personnel, there would be significant savings; and of course there were. There were some made.

DR DWYER: So it is to save costs on the agriculture budget that the change was made?

DEPUTY TAYLOR: It wasn't. It was to find savings of efficiencies, making better use of the personnel and the money available.

MR NEWTON: Sorry, can I just make sure you understood the question?

DEPUTY DUHAMEL: Yes.

MR NEWTON: Dr Dwyer was saying why specifically was the Agri-Environment Scheme transferred.

DEPUTY TAYLOR: Sorry, I thought you said why was the ----

SENATOR LE MAISTRE: The AES.

DR DWYER: Sorry, the Agri-Environment Scheme, yes. So the transfer of that to Environment & Public Services. I was asking why that was transferred.

DEPUTY TAYLOR: Well, a decision was made, and this is what took up a lot of our time on the Board, that all that should remain with EDC should be core functions to do really with the way money is placed and that environmental issues and veterinary issues and everything to do with actually working on the countryside would go to Environment & Public Services. I think that is correct.

MR NEWTON: Yes.

DEPUTY DUHAMEL: Senator Vibert?

SENATOR VIBERT: Could I just ask Deputy Taylor whether what in fact has happened, from a political point of view rather than from an administrative point of view, is that by actually compressing the three committees into one committee, that is tourism, economic development and industries became Economic Development, as a result of doing that there has been a gap in terms of having a champion for the industry. Your evidence you have given us today is quite clear, that you were struggling enormously right at the start to put all the administrative things into the one place, which is what has taken up all the time, which meant that the focus was lost on actually the real issues before the industry, which includes the Advisory Board dealing with it and the same complaint has been made by the Tourism Board. Many people in the tourist industry feel they have lost their champion for tourism by putting it all under the one roof. I wondered just what your views were, as to whether you would accept that view, that the agricultural industry now no longer has a direct focus, which is what it had before?

DEPUTY TAYLOR: Well, I wasn't there before, so I can't really comment on that. But I have to say, for instance, that when the dairy industry was in crisis a year ago, I spent a huge amount of time with people from the dairy industry and went to the Finance & Economics personally to try and get them extra money. I think, when there has been a crisis, there has been somebody there to look after it.

DEPUTY DUHAMEL: Dr Dwyer?

SENATOR LE MAISTRE: The word "*crisis*", do you think that is fair just to come at a time of crisis or, you know, should it not be more proactive and visionary than just coming at a time

of crisis?

DEPUTY TAYLOR: Well, actually, having been around and met many farmers (and of course I come from a fishing background), I have been very struck on how visionary many of the farmers are. The glasshouse growers, the dairy farmers and many of the outdoor cropping sectors, these are very switched on people. They are entrepreneurs in their own way. I have to relate back to the fishing industry because it is the only other primary industry I know about. There you had a situation where, without any direct aid at all over the last 30 or 40 years -- well, without any direct aid at all at any stage -- fishermen had gone out there as entrepreneurs and either been successful or not successful. I think perhaps government has been a little bit too involved in agriculture in recent years. I think those that are left in the industry are doing, you know, as well as they can. I think the government's hands should probably be a light touch, without getting too heavily involved. But we should be there and they should have support when there are real problems.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: Yes. At the risk of pursuing something a little bit, you stated at one point that the Committee's highest priority was to maintain direct payments to the agricultural industry. That was the Economic Development Committee.

DEPUTY TAYLOR: Yes, that is right. The message came through very clearly from the industry. They were very worried that their direct payments, for area payments, for headage payments, for indoor cropping payments, they were extremely worried that they were going to lose out on that.

DR DWYER: Okay.

DEPUTY TAYLOR: So we made it a priority.

DR DWYER: Yes. One reading of the failure of the Agri-Environment Scheme to gain funding in the 2003 Fundamental Spending Review is that it was packaged with a whole load of other changes to agriculture which all together cost too much, and that was the reason why some people were not happy to support it or why it didn't get a high enough priority. The response, therefore, to that might have been to think about rejigging the agriculture budget in such a way that the Agri-Environment Scheme could go ahead without such a big pull on the overall resources for the agriculture industry. Do you think that the splitting of agri-

environment away from the other elements of agricultural support at that time therefore weakened the ability for that kind of thinking to have gone on? Do you think that there is a possibility that that therefore was made less likely because agri-environment was parcelled off to Environment & Public Services?

DEPUTY TAYLOR: I don't really think the fact that it was "*parcelled off*" made so much difference. I think it was just that Members felt or, at the Fundamental Spending Review the Presidents felt, that they could not at that time put any more money into agriculture. We were just severely restricted on what cash we could spend. I don't think the fact that the Agri-Environment Scheme ----

DR DWYER: I'm thinking about after that decision had been made. What would have then have been the next step to get the scheme up and running?

DEPUTY TAYLOR: It is difficult for me to know.

SENATOR LE MAISTRE: Can we put the question in another way? Have there been savings achieved as a result of the bringing together of the services?

DEPUTY TAYLOR: Yes, there have been savings made, but also, of course, the Committee was tasked and charged with finding 15% -- I think it was 15% -- savings under the Fundamental Spending Review and we were very conscious that direct aid had to be maintained. So, by making these savings, we are able to keep the direct aid maintained.

SENATOR LE MAISTRE: But those savings have been put to other things outside of the Committee rather than to be spent on something like the Agri-Environment Scheme.

DEPUTY TAYLOR: I don't believe that is true.

MR NEWTON: Just to try and answer the question that I think Senator Le Maistre is asking, which is the savings that were required to be made by the Fundamental Spending Review, like all other Fundamental Spending Review savings, are taken centrally. They are taken into the Treasury. They are not left for the Committee to redeploy itself.

SENATOR LE MAISTRE: Right. They are reprioritised.

MR NEWTON: That is true of the savings that emerged from the Agricultural Review.

DEPUTY DUHAMEL: Is that it? Any further questions? Deputy Hill?

DEPUTY HILL: Could I go back -- I know that you weren't present -- to when Mrs Collier was here and there was some discussion about the dropping of conditionality? I remember -- I

have started looking through the transcripts of my questioning -- that it was suggested that there had been some discussion, some consultation, by a small group -- I suggested it may have been a vociferous small group -- who were opposed to conditionality and, as a result of that consultation, this point on conditionality had been dropped. Are you aware of any of this discussion at all, any points of consultation?

DEPUTY TAYLOR: No, I am not. I believe it was the dairy farmers that were against this. Is that correct?

DEPUTY HILL: It would appear so, but has that not been part of the Advisory Board that you chair, so that has come through another forum?

DEPUTY TAYLOR: That discussion did not take place at the Agricultural Advisory Board.

DEPUTY HILL: But are you aware of it?

DEPUTY TAYLOR: Just about aware of it.

DEPUTY HILL: Can you tell me then which committee, which board, is dealing with that, because I did ask actually was it minuted and I was told the answer was yes. I have looked up the transcript.

DEPUTY TAYLOR: I had the impression that it was discussed more at an officer level than a political level.

MR NEWTON: Very much so. If I may, the development, the subsequent development of the scheme, has been driven by officers of the former Agriculture Department and the current Environment Department, with advice from the Jersey Environment Forum. I think that has been made quite clear in various statements and evidence that has been submitted. So the decisions that have been taken about scheme modification haven't been back to the Agricultural Advisory Board that Deputy Taylor chairs, so it is not unreasonable that he is not aware of them.

DEPUTY HILL: Have you any idea when it will be it will be ready to go forward to the Advisory Board?

MR NEWTON: That depends on your assumption that it is a matter that would need to go back to the Agricultural Advisory Board. The current state of play, as I explained earlier when I went through the chronology in some detail, is that the scheme now, the concept of an agri-environmental scheme is totally wrapped up within this new thrust of trying to develop a new

strategy for the rural economy, over which there has been some public debate of late, and the Agricultural Advisory Board are tasked with reviewing many aspects of that. One aspect that they are being asked to review is the Countryside Renewal Scheme. That is on their shopping list of things they need to look at.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: So, if I hear you right, you are telling me that you basically shelved the Agri-Environment Scheme so as to ... or you are going to use part of it possibly in some rural economy scheme in the future. That being the case, is that not going against an original decision of the States, that we have adopted the Agri-Environment Scheme?

MR NEWTON: I don't think I used the word "*shelved*", with respect. What I said was that we are looking at the totality of agriculture and the rural economy and trying to find ways in which it might be possible to advance the principal objectives of the scheme that was approved by the States. That is in the knowledge that, in two rounds of spending allocation, the Scheme as itemised by the States has not found funding.

SENATOR VIBERT: But do I also understand you to say that there has been no consultation with the Agricultural Advisory Board or the Economic Development Committee on your recommendation?

MR NEWTON: No, sorry, I didn't say that. I said it hadn't occurred. Up until the point at which the last bid went to FSR, there hadn't been consultation with the Agricultural Advisory Board because, as Deputy Taylor has already explained ---

DEPUTY RONDEL: Or with the Economic Development Committee.

MR NEWTON: Absolutely right, because the responsibility for it had been transferred to the Environment & Public Services Committee. They were the lead committee.

DEPUTY RONDEL: But you say that it is a cross committee issue, that it was going to be a cross committee matter. In other words, both committees were going to be involved.

MR NEWTON: This is the reason why I was at some pains to explain the chronology. What we have now got, post-FSR 2005, is we have moved into this new phase of working together on a rural economic strategy policy. Prior to that the situation is as I have already described it. In 2004, the sponsoring committee was Environment & Public Services. In 2003, the sponsoring committee was Economic Development. We are now pulling together to try and

jointly deliver a ----

DEPUTY RONDEL: A corporate approach.

MR NEWTON: Corporate policies that will help the environment and agriculture.

SENATOR VIBERT: So we can take it that the Agricultural Advisory Board and the  
Economic Development Committee will be party to those discussions and decision making?

MR NEWTON: Yes. They are already party to it.

DEPUTY DUHAMEL: If there are no further questions, is there any final statement that you  
would like to make?

DEPUTY TAYLOR: No, it is fine, thanks.

DEPUTY DUHAMEL: In that case, I would like to thank you for attending on behalf of the  
Panel. We are grateful.

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