

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 8th DECEMBER 2009

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The Roll was called and the Dean led the Assembly in Prayer.

PETITIONS

The Deputy of St. Mary presented a petition concerning the United Nations Climate Change Conference, Copenhagen

The Bailiff:

The Deputy of St. Mary, you will be presenting a petition, I understand?

1. Deputy D.J.A. Wimberley of St. Mary:

I am not quite sure what the form is, but I think I have a petition here and I think I ...

The Bailiff:

You would pass the petition to the usher, if he were here. Perhaps the Greffier will just collect it. Very well, the petition, I understand, will be referred to the Council of Ministers.

The Deputy of St. Mary:

If I may say a few words? It is the first time I have done this; however, I am honoured to be bringing this ...

The Bailiff:

How much are you proposing to say, Deputy?

The Deputy of St. Mary:

Not long.

The Bailiff:

It is convention normally to lodge it and not say much.

The Deputy of St. Mary:

Not at all long. I gathered one was supposed to introduce the matter and also press on the Council of Ministers the importance of this matter.

The Bailiff:

Well, briefly please, Deputy.

The Deputy of St. Mary:

I am honoured to bring this petition before the States, signed by around 1,500 Jersey residents. Their common wish and hope is that the Council of Ministers takes appropriate action and shows the necessary leadership on the pressing issue of climate change. It is the defining issue of our time. I know the good Senator Ferguson has offered 60 megabytes' worth of emails and associated data to 2 Scrutiny Panels in the hope that we will find the one email that disproves the theory of climate change. However, the science is established, as they say in legal circles, beyond reasonable doubt. Global warming is real. Measurements of all kinds all over the globe show this, whether it is icecaps, sea acidification, permafrost, glaciers. Even in Jersey, our own turning-point document issued by the Planning Department showed us that Mother Nature here too is telling us that climate change is real. There is a further step on, which I think 90 per cent of scientists are agreed; it is that it is due to manmade greenhouse emissions. It is not just measurements; it is also human experience. I have here some eyewitness accounts of people ...

Senator S.C. Ferguson:

Are we having a speech on this? Can we have a debate?

The Deputy of St. Mary:

It is only a short ... pressing on the Council of Ministers just how important it is.

The Bailiff:

Carry on, Deputy.

The Deputy of St. Mary:

These are reported across the world. I will just give 3 instances, because I think it is important to realise that this is people at stake and it beholds us to take action. Simply, in North China, the desert there is 3 times bigger than it was, and there is an interview with a farmer living near to this advancing desert. There is an interview with Eskimos in Alaska who now experience the tides come in where it should be ice in autumn, so they are having to move their village. In Kenya, where the Maasai girl interviewed says, when asked: "What do you want most?" she says: "Rain." There has not been rain for 3 years in that part of Kenya, on the Kenyan/Tanzanian border. So, the Minister for Treasury and Resources in the swine flu debate said: "I can only act on expert advice" and I beg the Council of Ministers, and the petitioners beg them, to give detailed consideration to the results of the Copenhagen Conference. There are 2 main reasons the Council of Ministers should do this (1) is the moral reason, which I have just outlined, that people all over the world are more affected than we are in fact and it beholds us to reduce the impacts on them, and (2) is the matter of responsibility. The Council of Ministers have a duty to their people, to the people of Jersey, to be proactive in anticipating dangers and risks, to assess their magnitude and probability, and to take the necessary action. I hope the Council of Ministers will accept the principles of this proposition. We will come back to the House possibly with a modified version, the proposition, I am happy to negotiate with them on that, but I do hope that in principle they accept the importance of this issue and take on board that they have to do something about it. Thank you. **[Approbation]**

The Bailiff:

Very well. Thank you, Deputy.

Senator S.C. Ferguson:

May I just add something to that?

The Bailiff:

No, you cannot, Senator. **[Laughter]**

Senator S.C. Ferguson:

No, the Deputy of St. Mary has suggested that we have people over to talk about this and I have happily acquiesced to the ...

The Bailiff:

I am so sorry, we cannot allow to have a determined discussion on this.

Senator S.C. Ferguson:

... concept to the debate on the whole thing.

The Bailiff:

Very well. So we move on then to questions and, first of all, Written Questions.

QUESTIONS

2. Written Questions

2.1 SENATOR S.C. FERGUSON OF THE MINISTER FOR HOME AFFAIRS REGARDING THE TOTAL COSTS OF SUBSCRIPTIONS TO THE ASSOCIATION OF CHIEF POLICE OFFICERS:

Question

Will the Minister confirm that Jersey subscribes to the Association of Chief Police Officers and if so, will he advise the Assembly -

What the total annual cost has been for the past 5 years showing the costs of attending meetings?

What advantages there are for Jersey in being a member?

Answer

1) ACPO's members are police officers who hold the rank of Chief Constable, Deputy Chief Constable or Assistant Chief Constable, or their equivalents, in the forces of England, Wales, Northern Ireland, national police agencies and forces in the UK, the Isle of Man, and the Channel Islands, and certain senior non-police staff. Those that hold the office of Chief Officer in States of Jersey Police are members of ACPO.

2) ACPO Subscriptions:

2005 £100 **2006** £105 **2007** £110 **2008** £115 [covers to May 2010]

Providing a breakdown of all costs involved and linked to ACPO is not possible since it cuts through the whole sphere of the policing business. However, if the question could be re-phrased to identify the costs in question more specifically, the Department will endeavour to answer it.

3) Without the professional support of ACPO, the States of Jersey Police would be unable to function effectively.

The Association of Chief Police Officers [ACPO] is an independent, professionally led strategic body leading and coordinating the direction and development of the police service in England, Wales and Northern Ireland.

ACPO's work is on behalf of the Police Service, rather than its own members, and in times of national need, it coordinates the strategic operational response and advises government. This may be national police operations, major investigations, cross border policing, and joint law enforcement task forces.

As the professional body leading the service, the whole range of intelligence, operational and support functions conducted by police are sustained under the ACPO umbrella, including training. There is a daily interface with ACPO, providing access to National Computer Systems, close liaison regarding Border Controls, Serious Crime, Terrorism, and Financial Crime amongst many other areas.

2.2 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING THE NATURE OF A PROJECT BETWEEN HARBOURS AND THE OCTABOMB GROUP:

Question

What was the nature of the suggested project between Harbours and the Octabomb Group, was this project pursued, were the States of Jersey Police and lawyers involved, and , if so, why?

How much money, if any, did the Department lose in relation to this matter?

Answer

In June 2005, the then Harbours and Airport Committee approved heads of terms to the Octa Group Limited for a lease of La Folie Inn in order to redevelop the site. The same company presented proposals to convert a cruise liner into a floating hotel to be located in the harbour. This proposal was rejected.

During the exploratory period of redevelopment, prior to the signing of a lease, a complaint was made by the Department to the States Police and in December 2005 the Committee’s lawyers wrote to the company confirming that Jersey Harbours would no longer proceed with Octa Group Limited.

The full exposure to the Department was approximately £1,000 in professional and legal fees.

2.3 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING EMPLOYMENT FIGURES IN THE TELECOM MARKET IN JERSEY:

Question

Given that total employment in the Telecoms market has increased from 480 to 557 since the introduction of competition, will the Minister inform members of the numbers of locally qualified, non locally qualified and (j) category employee within the 557 and specifically the new 77 posts created, along with the distribution of these jobs between Jersey Telecom and its competitors?”

Answer

Manpower including Jersey Telecoms

	Locally Qualified Employees	Non Locally Qualified Employees	J category employees	Total
30 th June, 2005	468	7	5	480
30 th June, 2009	516	26	15	557
Increase	48	19	10	77

Manpower of Jersey Telecoms

	Locally Qualified Employees	Non Locally Qualified Employees	J category employees	Total
30 th June, 2005	437	5	0	442

30 th June, 2009	427	12	6	445
Increase	-10	7	6	3

Manpower excluding Jersey Telecoms

	Locally Qualified Employees	Non Locally Qualified Employees	J category employees	Total
30 th June, 2005	31	2	5	38
30 th June, 2009	89	14	9	112
Increase	58	12	4	74

The above represents a direct comparison of businesses classed as telecommunications undertakings under the Regulation of Undertakings and Developments (1973) Law.

It should be noted that some ancillary or incidental work related to the operation of a telecoms business, for example, cable laying, may be included in 2005 and not included in 2009, or visa versa, where this work has been either out-sourced or in-sourced. Some caution therefore be applied in making the comparisons and seeking to draw conclusions about the overall levels of economic activity in the sector.

2.4 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING ASSISTANCE TO STAFF BEING MADE REDUNDANT BY JERSEY TELECOM:

Question

Will the Minister, as majority shareholder, inform members what specific assistance, both financial and otherwise, he has offered to Jersey Telecom management and employee representatives to ameliorate the process of downsizing the workforce by any mechanisms other than compulsory redundancies? What consultation, if any, has he had with them since the announcement of 80 plus job losses?

Answer

I expect all States owned companies to be responsible and fair employers. It is not appropriate that I involve the Treasury in the running of the day to day running of the business. It is for the Board to decide how to best run the company as with any company seeking major restructuring.

The Social Security Department has been in contact with Jersey Telecom to offer assistance with anything that those potentially being made redundant may need. This includes offering seminars at the place of work incorporating advice on Income Support, unemployment credits and job seeking. The ultimate aim is to help anyone affected to find new employment.

2.5 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING TAX EXEMPTIONS IN THE 2010 BUDGET:

Question

Will the Minister inform members of the rationale, if any, behind his proposal to freeze tax exemptions in the 2010 Budget in the light of the advice from the Fiscal Policy Panel not to increase taxation in a recession?

Answer

The Fiscal Policy Panel's advice is not as suggested. They have advised us that we should continue with the fiscal stimulus and that it is "vital that the stimulus is timely, targeted and temporary focusing on projects that that represent value for money and are of intrinsic value".

In addition the Panel's advice was also: "There remain some very significant pressures that could affect the public finances adversely in the medium to long term. The Panel stresses that these must be considered when making decisions concerning revenues and expenditure today. Decisions that undermine the tax base or commit to greater future expenditure should be avoided."

Had I proposed increases in tax exemptions, this would be contrary to FPP advice on both fronts. It would not be timely, targeted or temporary and therefore not a suitable policy for fiscal stimulus. It would also undermine the tax base and therefore worsen our fiscal position in the medium-term.

By proposing to freeze exemptions which will have effect in 2011 I am also taking a small step now to help deal with the fiscal deficit when recovery comes.

2.6 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE EFFECTS OF TAXES ON HOUSEHOLD INCOMES:

Question

Would the Minister provide Members with a summary of the effects of taxes (direct and indirect) and benefits on household incomes by quintiles for 2008 and, if not, why not, and can he inform members what the impact of the tax measures contained in the 2010 budget will be on the distribution of the tax burden?

Answer

It is not possible to summarise the combined effects of taxes and benefits on household incomes at the moment.

The Statistics Unit is currently undertaking a survey of household income and expenditure. The survey will run until May 2010 and the initial results will be available by the end of 2010. This will provide an accurate picture of current income quintiles as well as information on the distribution of benefits to households of different incomes.

A range of benefits are provided by the Social Security Department. Contributory benefits are paid at standard rates regardless of household income. An analysis of taxes and contributory benefits by quintile would not provide useful information as these benefits are paid independently of other income or income tax liability. For example, the old age pension is paid at the same rate across all income quintiles.

Income Support is the main non-contributory benefit now available and income support benefit rates are designed to encourage households to provide their own income, as far as possible. Income Support is not paid at a standard rate but varies with household circumstance. The great majority of non-contributory benefits are paid to households who do not have an income tax liability. It would be very difficult to produce a summary of the effect of non contributory benefit levels on households by income quintile, as the circumstances and composition of households varies greatly and this will affect the value of their benefit entitlement.

Income Support rates were increased in May 2008 to fully compensate for the introduction of GST and further increases were made to Income Support entitlement in February 2009 following the decision to maintain GST on food.

Our tax system is progressive and households generally pay less tax than similar households elsewhere.

For example:

1. The income tax payable by a married couple in 2009 with a joint income of £40k without children or mortgage is £4,371, compared to IOM £2,208, Guernsey £4,520 and UK £5,893.
2. For a married pensioner with an income of £25,000, no mortgage, income tax is £780 compared to IOM £260, Guernsey £880 and UK £2,510.

The budget measures do not change the fact we have a progressive system and are proposed for good reasons:

- Continuation of 20 means 20 to complete the progressive package of measures introduced with 0/10.
- Freezing exemptions takes a small step now which has an effect in 2011 to help deal with the fiscal deficit when recovery comes.
- Impots and VED – strategic plan environmental targets and higher health spend in business plan.
- Art 115 – tax break for overseas pension funds.
- Stamp duty on share transfer removes an inequity in the housing market that's been a long time coming.

2.7 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING INCREASING TAX YIELD FROM 1(1)(k) RESIDENTS:

Question

Will the Minister inform members what progress, if any, he has made on the scope for increasing the tax yield from 1(1)(k) residents already living in Jersey and those who may arrive in the near future?

Answer

I am considering, in partnership with the Ministers for Economic Development and Housing, a review of all aspects of the 1(1)(k) regime by an individual with international expertise in wealth management.

The budget speech will expand on this later today.

2.8 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING MONTHLY LEVELS OF BANKING LENDING:

Question

On 2nd June 2009, in response to a question regarding the level of bank lending to Islanders the Minister stated that he had invited the Jersey Bankers Association to provide aggregate lending data on an anonymised basis, but had not yet received a response. Would the Minister advise the Assembly of the outcome of the request and, if available, give details of the monthly levels of bank lending since June?

Answer

In January 2009 I established an informal Bankers Forum including representatives from the high street banks to consider how changes in the global economy may be affecting the availability of business finance within the local community. Although it is clear that lending criteria and ongoing management of existing facilities have changed as a result of the economic climate, I was reassured by the Forum that the Banks are still lending to both start-up and established businesses.

I invited the Forum to discuss with the Jersey Bankers Association obtaining aggregate monthly data on an anonymised basis. However, I understand that this request has been overtaken by the consideration of the larger question of what statistics as a whole we should obtain from industry. A Statistics working group has been set up and will consider this issue. I will inform the House of the outcome of these meetings. The working group will be meeting in the New Year.

2.9 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING THE ESTABLISHMENT OF AN INFORMAL BANKERS FORUM:

Question

On 2nd June 2009 in response to a question regarding the level of bank lending to Islanders the Minister stated that he had established an informal bankers forum, which has representatives from the Jersey Bankers Association including all but one of the high street banks and one of the secondary lenders. Would the Minister advise the Assembly:

- a) the names of the bodies that comprise the informal group;
- b) how many times that it has met to discuss bank lending;
- c) how many times it met to discuss depositor compensation;
- d) whether he will publish the agenda and minutes of these meetings and, if so, when?

Answer

As I have stated in answer to Question 4997, the Bankers Forum comprises members of the main banking groups in Jersey. It is not intended to meet on a regular basis but when appropriate issues present themselves that require discussion outside of the Jersey Bankers Association meetings.

The Forum met twice in 2009 to discuss issues including bank lending in confidence to facilitate open and frank conversation. Therefore it would not be appropriate to record or publish the minutes. The Forum did not discuss deposit compensation.

2.10 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR HOME AFFAIRS REGARDING THE DISCIPLINE AND SICKNESS RECORDS OF POLICE OFFICERS:

Question

Would the Minister provide the Assembly with a detailed breakdown of each of the last 5 years in respect of –

- a) the number of police officers, if any, who have been disciplined;
- b) the number of police officers, if any, who have been suspended from service;
- c) the number of police officers, if any, who have been charged with criminal offences;
- d) the number of officers, if any, who have been off work through ill health, together with the total number of hours accounted for by sickness for each of the last 5 years?

Answer

- a) The number of police officers found guilty of a discipline offence at a disciplinary hearing over the last 5 years is 3 for 2006 and 2 for 2007.
- b) 13 officers have been suspended for varying periods of time over the last 5 years.
- c) Four. Of these, two resulted in convictions. In both cases, the person concerned is no longer employed by the States of Jersey Police.
- d) Collating the detail of each individual staff sickness episode over the last 5 year period and breaking it down into hours represents a considerable task that cannot be completed with scarce resources at this time.

Cumulative staff sickness in days:

2005 1479 days

2006 1415 days

2007 1777 days

2008 2337 days

2009 1649 days [to 30/11/09]

For Police Officers the average sick days lost in the first nine months of 2009 was 7.97, against a States average of 8.66. This includes instances of injury incurred as a direct result of duty.

2.11 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR HOME AFFAIRS REGARDING CRIMINAL RECORDS AND DNA DATA BASES:

Question

Would the Minister provide the Assembly with the following information:

- a) the number of people in Jersey who have a criminal record;
- b) the number of people whose DNA is recorded on the DNA database;
- c) the number of people who have been arrested but not charged (who do not have an existing criminal record) whose DNA is recorded on the DNA database;
- d) the number of criminal record checks to which Jersey Police have provided information within the Island over the last five years;
- e) the policy followed with regard to the retention of DNA material obtained from people arrested but not charged with a criminal offence and, in particular, whether it is retained or destroyed immediately or after what period?

Answer

- a) The States of Jersey Police does not have this information. Checks are not carried out on every person who enters or leaves the Island and, therefore, it is impossible to state how many people in Jersey have a criminal record.
- b) As at 26th November 2009, there were 2460 subject profiles retained on the DNA database that had been submitted by Jersey. This covers all profiles taken from subjects, so includes Criminal Justice, reference and volunteer samples. It is not necessarily a count of individuals, as it includes some replicate profiles.
- c) Nil
- d) Approximately 45,000 PNC name checks are completed annually. However, this figure may include multiple checks on the same individual as part of the case papers process, vetting checks and numerous other reasons.
- e) The policy followed is in line with the Police Procedures and Criminal Evidence (Jersey) Law 2003. If a person is arrested but not charged with a criminal offence, their DNA is only retained for the length of time that it takes to carry out the investigation into the offence. Once the decision not to charge the person is taken, the DNA material is destroyed.

2.12 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE IMPACT OF THE NEW ZERO/TEN TAX REGIME:

Question

Would the Minister advise the Assembly of the causes of the forecast structural deficit (as opposed to the cyclical deficit caused by the recession) and in particular the impact of the new Zero Ten tax regime?

Answer

The potential structural deficit forecast for 2012-2013 of £45-50m is a result of the economic downturn. That is, there has been such a significant fall in global economic activity and financial markets that the effects on the local economy and therefore tax revenue are long lasting. The fiscal difficulties faced by many of the larger economies going forward are at least partly generated by the same effect – the global recession has been so severe that taxation revenues have been badly affected whilst government spending continues on an upward trend, opening up a structural deficit.

The extent of any structural deficit is still uncertain and depends very much on the strength of the global economy and financial markets in the post-crisis world. Should the recovery be stronger than currently envisaged with a quicker bounce back, the extent of any structural deficit will be reduced. On the other hand, a more protracted downturn and slower recovery would increase the risk of a significant structural deficit.

The impact of the 0/10 tax regime is not a contributor to the deficits forecast. This is because it is still estimated that the tax loss will be close to the original estimates of £80-100m, which has been offset by the fiscal strategy agreed by the States and consisting of the introduction of GST, 20 means 20, ITIS, government efficiency savings and economic growth.

I will be addressing all of these issues in the budget speech delivered later today.

2.13 DEPUTY M. TADIER OF ST. BRELADE OF THE CHIEF MINISTER REGARDING FORGING TRADE LINKS WITH OTHER GOVERNMENTS:

Question

What concerns, if any, does the Chief Minister (and the Council of Ministers) have about forging trade links with communist or otherwise uncertain governments with expansionist policies, with a poor record of human rights?

Is he satisfied that the supervision of business in these countries meets ‘Know Your Customer’ (KYC) and similar minimum standards according to OECD, IMF and EU requirements?

Has this subject even been discussed officially at Council of Minister meetings and if so, will the Chief Minister indicate, without necessarily breaking confidence, the nature and conclusion of any such discussion?

Answer

The Strategic Plan 2009-2014 recognises that a strong international identity is vital if we are to respond effectively to global economic conditions. The Strategic Plan includes a commitment to strengthen our international relationships, supported by legislation, regulation and international agreements. Part of this strengthening includes Jersey entering into Tax Information Exchange

Agreements (TIEAs) with OECD member countries and the G20 non-OECD countries, which includes Russia and China. Establishing economic relationships is integral to the process towards signing and maintaining such agreements. The Chief Minister in April following the London G20 Summit responded to a letter received from the British Prime Minister assuring him that Jersey would be actively engaging in negotiations with the G20 member countries.

Russia and China are both members of the Financial Action Task Force (FATF), the inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. In both cases membership depended on the FATF being satisfied through a full assessment that they met the required level of compliance with the international standards set including those on Customer Due Diligence.

The OECD has invited Russia to open discussions for membership and has offered enhanced engagement, with a view to possible membership, to China. In addition, the Jersey Financial Services Commission entered into a Statement of Co-operation with the China Banking Regulatory Commission in 2006. The objectives of the statement include working towards the mutual understanding of both jurisdictions' regulatory regimes, strengthening co-operation between the two, including the provision of assistance where necessary, and establishing dialogue in this regard.

The Council of Ministers has not had occasion to discuss the issue of human rights within communist countries per se. However, in line with the approach adopted by the UK, USA and other countries, we should expect that there is more to be gained through the pursuit of a process of constructive engagement with these countries at political and business levels.

2.14 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR EDUCATION, SPORT AND CULTURE REGARDING JERSEY-NORMAN FRENCH SPEAKERS:

Question

What does the Minister estimate to be the total amount of Jersey-Norman French speakers (those with a 'good' command of the language) in the Island and what consideration, if any, has been given to promoting the teaching of Chinese and Indian languages (which are spoken by about 2,500 million people) in Jersey schools rather than Jersey-Norman French?

Answer

Through information gathered from the Office de Jerriais I can inform you of the following facts.

Current census information tells us that we can estimate that there are about 1,500 speakers of Jerriais.

Additional information is;

- 35 adults have enrolled in evening classes this term.
- Around 200 pupils are learning the language in their own time.
- 160 children participated in the Jerriais section at the recent Eisteddfod

It should be remembered that the teaching of Jerriais does not take up any normal curriculum time.

There is no formal teaching of any of the Indian or Chinese languages or dialects in our schools during curriculum time. However, in the spring, Highlands College will be offering courses for adults in Chinese and Indonesian alongside several European languages that are already being taught – French, German, Italian, Polish and Spanish. During the autumn term, there were a total of 255 enrolments in 24 language classes.

Hautlieu School has organised a school trip to China during the February half term in 2010. In preparation for this visit the students are learning about Chinese culture and learning helpful phrases from the language.

2.15 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING THE COST OF PROMOTIONAL TRIPS TO ASIA:

Question

What was the public cost, if any, of supporting the recent finance promotion trips to Asia? Did the Jersey Financial Service Commission participate in any way and, if so, was this as a regulatory or promotional capacity?

Answer

The public cost of the recent delegation trips to Asia was £17,233.45. These costs were met from existing budgets allocated for the promotion of Jersey.

The Director for International Finance supported a trip to Singapore and Hong Kong in October. This included attendance at a conference, meetings with government officers, tax authorities and business providers and attendance at the formal opening of the Jersey Finance representative office which hosted up to 100 government and industry delegates.

For the November trip to India this comprised of travel, accommodation and incidental expenses for the Minister for Treasury and Resources, the Director International Finance from the Chief Minister's Department and the Director Inward Investment and International Trade from the Economic Development Department.

The delegation had an intensive and successful trip covering the three centres of Mumbai, New Delhi and Gurgaon. Meetings held resulted in the broadening of contacts with the Indian Government generally, facilitated the advancement of discussions regarding a Tax Information Exchange Agreement, identified significant business opportunities as well as developing early stage discussions regarding the potential for Jersey to increase its role as a host to Indian banking operations.

The Director General of the Jersey Financial Service Commission joined the first part of the trip to Mumbai which resulted in a very successful meeting with SEBI the Indian securities regulator and took part in other set piece events and meetings always in a regulatory capacity. The Jersey Financial Service Commission has ceased to operate in a promotional capacity following the recommendation in the Edwards report in 1998. The Director General's expenses were met by the Commission.

2.16 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING BUS SERVICES AND ACCESS TO THE BUS STATION:

Question

Will the Minister confirm what hours the last buses run to in Summer and Winter; will the Minister give the current cost of keeping the bus station open in Summer and Winter and estimate the additional cost for keeping the bus station open until the last bus departs?

Answer

The last buses leave Liberation Station between 11.15 pm and 11.30 pm in summer (April to September) and winter (October to March). The facility currently closes at 6.30 pm in the winter and 8.00 pm in the summer and the cost of maintaining these hours is incorporated in the total cost of operating Liberation Station.

If Liberation Station was kept open until 11.30 pm, this would require one security guard and one member of Connex staff to be on site. The total cost is estimated at £49,000 – £29,000 in the winter and £20,000 in the summer. This would cover 16 departures leaving after 6.30 pm in the winter and 24 departures leaving after 8.00 pm in the summer. I would add that, if I had these funds in my budget, which I do not, I would prefer to run extra bus services to encourage more people to use the network.

Furthermore, if Liberation Station were open until 11.20 pm, there would be some serious operational issues including the increased risk of vandalism, the potential problems of the public congregating inside the building and not wanting to leave, as well as the issue of cleaning the premises, which would be pushed back to the early hours of the morning.

However, TTS has been in discussions with Connex over the possibility of opening Liberation Station later and I have agreed that the facility will open for an extra hour in the winter to 7.30 pm which will cover 5 departures. This can be achieved within current staffing levels and I am hopeful that this will be operating from next week to cater for people using the buses over the Christmas period.

3. Oral Questions

3.1 Deputy C.F. Labey of Grouville of the Minister for Treasury and Resources regarding proposals by Jersey Telecom to reduce its work force by 25 per cent:

With Jersey Telecom proposing to reduce its workforce by 25 per cent, will the Minister, as representative of the shareholder, advise Members if, to his knowledge, it is the intention of Jersey Telecom to reduce existing service levels by a similar amount?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I think the service levels are a matter for both the Jersey Competition Regulatory Authority and for the board of Jersey Telecom to consider, particularly by the company, given that it operates in a competitive marketplace. However, I have been assured that the process of reorganisation of the company is not simply about making headcount reductions. They are taking into account the requirement to improve their processes, improve productivity, modernise, and prepare for the exciting world of the I.T. (information technology) future. I am confident that Jersey Telecom, as a result of their reorganisation and modernisation, will continue to be the leading telco provider in the Island.

3.1.1 The Deputy of Grouville:

Loyalty bonuses of a 6-figure sum were paid to the senior executive of the company. Does the Minister, as representative of the shareholder, not feel that this sticks in the craw of not only the workforce who are being made redundant - or as he puts it: "Being reorganised" - but also the taxpayer, who may be picking up the tab for these redundancies?

Senator P.F.C. Ozouf:

I have previously made comments that I have not been involved in the bonus issue. I would point out to the Deputy that all Jersey Telecom staff received a pay rise in January, but the company must make changes to its organisation in order to restructure itself for competition. I believe that that is in the interests of both the long-term interests of the workforce, the Island community in terms of the services that J.T. (Jersey Telecom) provide, and also to the competitiveness of the Island, which absolutely is built upon fast, affordable, efficient telco provisions. So, modernisation is difficult. It was right to introduce competition for telecoms, and I have to say that I have every confidence in the Board in making the decisions that they are making.

3.1.2 Deputy R.G. Le Hérissier of St. Saviour:

Could the Minister specify, both for this year and last year, what the percentage pay rise was and whether the same pay rise, percentage-wise, applied to both management and frontline workers and if there was a difference, what the difference was? Secondly, would he not accept that it is only by an alliance with an international player that Jersey Telecom will now truly thrive?

Senator P.F.C. Ozouf:

I am asked regularly about the arrangements of the owned and part-owned utilities, in almost a sense that the Treasury runs these companies. We do not; we appoint a board to carry out the functions of running the company on our behalf. I can say that all employees of Jersey Telecom, as I am advised, received a pay rise, I think in the region of 4 per cent. That is a matter for the board themselves. I am not going to re-guess and to second-guess their business decisions which are no doubt meant in the best interests of the company. Secondly, in relation to the future of Jersey Telecom, I believe that it was right to liberalise telecoms and I think my predecessor has given a commitment not to consider a sale of J.T. for a number of years. J.T. is reforming, it is modernising, it is building new businesses successfully in Guernsey, and I think that Jersey Telecom has a great future as providing the main infrastructure backbone for fixed-line telecoms now and into the future.

3.1.3 Deputy R.G. Le Hérissier:

A supplementary; would the Minister specifically answer, is an international alliance the real path to growth and salvation?

Senator P.F.C. Ozouf:

An international alliance could be described in a number of ways, which does not mean a sale. There are a number of ways that a small telco, such as Jersey Telecom, can work with international providers, and I will be looking at all of the owned utilities and their strategies and business plans, particularly with the Minister for Economic Development, to ensure Jersey Telecom has all of the opportunities to thrive and to build information technology links which are so vital for telemedicine, learning, and for the whole of our future.

3.1.4 Connétable D.J. Murphy of Grouville:

In view of the fact that the States now have stakes in 3 telecom companies who are competing against each other, is the Minister satisfied with the position the J.C.R.A. (Jersey Competition Regulatory Authority) in issuing more licences?

Senator P.F.C. Ozouf:

The J.C.R.A. reports as appropriate as an independent body to the Minister for Economic Development. I have given, however, as shareholder, careful consideration to the issue of the J.P. (Jersey Post) competition. What I need to say to Members is that when originally competition was envisaged in the marketplace, we did envisage a competition that would be on the retail end. Members will know the concept of Virgin Mobile, for example, in the U.K. (United Kingdom), which provides competition at the retail end by using the infrastructure that exists. What Jersey Post are doing, as I understand it, is exactly that. I have to say that having recently been in India, having examined other telecom markets around the world, it is retail competition that gives good value, which gives innovative services to consumers and is a way that you can get competition with having one overall infrastructure company. I am going to be interested to see how J.P. do in this area. It is not competing against; it is growing the market, giving value for consumers, giving innovation for consumers, and I welcome it.

The Deputy Bailiff:

Can I just remind you and all Ministers that the answers must be ... [Approbation]

The Connétable of Grouville:

I did not get an answer to my question. I asked him ... [Laughter] There are 3 companies, 3 States-controlled companies, competing against each other. Would he please tell me whether he thinks it is a good idea that more licences should be issued? [Approbation]

Senator P.F.C. Ozouf:

I am somewhat uncomfortable, and I apologise to the Constable of Grouville, but he does have a close familial contract with somebody involved in J.T. [Members: Oh!] I am uncomfortable ...

The Connétable of Grouville:

That is disgraceful. Absolutely objection.

Senator P.F.C. Ozouf:

I am uncomfortable with that because, clearly, it could be we need to be completely reviewed as being completely impartial. It has the perception, potentially, of not being so. I regret to say that.

Deputy G.P. Southern of St. Helier:

I believe that is impugning the reputation of the Constable.

Senator P.F.C. Ozouf:

If I have impugned the reputation of the Constable, I apologise, but it is an issue that is making me increasingly uncomfortable.

The Deputy Bailiff:

I understood the Minister to be talking about perceptions rather than anything directly and I did not understand him to be impugning the reputation of the Constable.

Senator P.F.C. Ozouf:

Certainly not. It is a perception issue which I am concerned about. There is nothing wrong with States-owned entities competing within common marketplaces. That is to the benefit of the shareholder, it is to the benefit of consumers, and it drives innovation and productivity.

The Connétable of Grouville:

I am very, very annoyed about this. When I suggested to him that we should set up a Scrutiny Panel I was told that I should not sit on it because I have a family member working at telecoms in a reasonably modest capacity; we are not talking about directorships or anything like that. Now, the

implied threat that I should keep out of it because I have a family member working there is quite disgraceful and I really must object very, very strongly indeed.

The Deputy Bailiff:

Connétable, I certainly I understand and hear that objection. It is not a matter that is going to be resolved today. We will now move on to the next question in this set of questions.

3.1.5 Deputy G.P. Southern:

Since the Minister has mentioned bright futures, what brighter future does he anticipate for the 85 or 100-plus telecoms workers being laid off? Will he take any specific financial measures to ease the package of, let us say, voluntary early retirement packages that might be offered, or voluntary retirement packages, in order to ease the way of these 85 or so workers?

Senator P.F.C. Ozouf:

The assumption that Deputy Southern makes is that we should cast these companies in aspic and they should not be modernising and dealing on a competitive basis. I do not believe that that is in the long-term interest of the shareholder, consumers, or the Island. Jersey Telecom will treat its staff appropriately, just as I expect all States-owned and part-owned entities to do so. All the information I have means that they will do so; moreover, Jersey Enterprise and Social Security will provide every assistance to anybody that finds themselves out of work and given the assistance to find new, productive work.

The Deputy Bailiff:

You are going to be cutting out one of your colleagues, Deputy Southern, that is all I would say because time is getting short on this question.

3.1.6 Deputy G.P. Southern:

I believe there is space. I would like to, in fact, ask my supplementary. The Minister talks about the Minister for Social Security offering assistance. Will the Minister for Treasury and Resources offer any assistance? For example, will he give up some of his £6 million dividend next year?

Senator P.F.C. Ozouf:

It is not my dividend; it is the States of Jersey dividend, which goes to pay for frontline services. I believe that I have a responsibility to ensure that the public who own these assets do get an appropriate return and we balance appropriately the interests of consumers, Islanders, and the shareholders, and the staff.

3.1.7 Deputy M. Tadier of St. Brelade:

The Minister will be aware that certainly when Jersey Telecom did enjoy a monopoly status, part of the compromise in the service level agreement was that they provide 24/7 support to man, for example, the emergency services, which they still do. Now, given that the monopoly status has now been removed, will this 24/7 support also be reviewed, given that this puts the company at a competitive disadvantage?

Senator P.F.C. Ozouf:

I am given no information that anything will change on that basis.

3.1.8 Deputy M. Tadier:

A supplementary. Would the Minister therefore think that it is quite correct that Jersey Telecom, now that they do not enjoy a monopoly status, would be quite within their rights to turn around and say: "We are no longer going to provide this 24/7 support because it is no longer viable"?

Senator P.F.C. Ozouf:

I believe that this is a licence condition. As I think Deputy Tadier has better information on the workings of Jersey Telecom than I do with previous experience, perhaps he would explain to me outside of the Assembly exactly what his concern is on this. I have no notice of any concern in this direction. If there is, I will have discussions with the Minister for Economic Development to deal with it.

3.1.9 The Deputy of Grouville:

Could the Minister confirm to the best of his knowledge if there are any plans, future or immediate, to privatise Jersey Telecom?

Senator P.F.C. Ozouf:

I have given the commitment that has been made by my predecessor that there would be a period given where no consideration to a sale of Jersey Telecom would continue. I am, however, conducting a review of all owned utilities to ensure that their ownership arrangements are appropriate for the public. The previous statement has standing and I think that that runs for a further 2 years in order to give the company the stability that they needed.

The Deputy Bailiff:

We come now to the second question, which is to be asked by Deputy Southern of the Minister for Planning and Environment.

3.2 Deputy G.P. Southern of the Minister for Planning and Environment regarding the content of the online North of Town Masterplan consultation:

Will the Minister inform Members what steps, if any, he will take to amend the content of the online North of Town Masterplan consultation which does not present any options for the Millennium Town Park (that is with or without building on Gas Place and Talman sites) and presents a picture with the maximum building on the site?

Senator F.E. Cohen (The Minister for Planning and Environment):

The Deputy justifiably takes a keen interest in the fairness of questions contained in public consultations. He raised this matter with me last week and I immediately instructed my officers to look into the issue and correct any perceived bias in the construction of the questions. They have adjusted the online consultation document and the printed questionnaire to draw particular attention to the possibility of placing buildings on the Talman and Gas Place sites. The construction of the questionnaire does allow respondents to state that they do not wish to see building on the Town Park site. I must point out that the consultation is presently scheduled to close on 5th January. I can assure the Deputy that I will take into account the fact that he, together with others, would generally prefer to see no building on the Town Park site, though clearly this must be balanced against the affordability and funding issues that do require a Town Park, together with a holistic parking solution.

3.2.1 Deputy G.P. Southern:

I thank the Minister for his answer and for his prompt response. I have not had time to inspect the consultation document yet, but I no doubt will do perhaps before question time is over. What I would ask is that will he also take into consideration the possibility of not building on the town site, given that there is already some funding towards developing the Town Park without building in the pot?

Senator F.E. Cohen:

There is the question of affordability and I will need to balance the question of affordability with the requirement to deliver a holistic parking solution, but I will take into account the fact that the

Deputy and others would prefer to see no building on the Town Park site. With regard to the first part of his question, the consultation now reads: "With regard to the proposal for the Gas Place and Talman site, do you agree in particular with the proposed buildings on this site?" Then you can tick from "Strongly agree" to "Strongly disagree." Thank you.

3.2.2 Deputy P.J. Rondel of St. John:

Will the Minister give consideration to extending the period of the consultation, given this has been raised in the Chamber this morning, by at least one month, given the delay in having put up the necessary on the internet? Thank you.

Senator F.E. Cohen:

Yes, I will and I will let the Deputy know later today whether that is feasible. Thank you.

The Deputy Bailiff:

The final supplementary.

3.2.3 Deputy G.P. Southern:

I have almost forgotten it. What does the Minister propose to do about the responses he has already received from a flawed document? Will he, if he does decide to go ahead and extend the consultation period, ensure that that does not delay any developments that take place in 2010 on developing the park?

Senator F.E. Cohen:

On the second part, yes, I can give that assurance. In relation to the first part, I am quite clear that the consultation was not fundamentally flawed and that those respondents who had a particularly strong view that no building should be placed on the site made that very clear in their responses. All that we have done is to clarify the position by reinforcing the wording after the Deputy pointed out what he considered to be bias. Thank you.

3.3 Deputy F.J. Hill of St. Martin of the Minister for Planning and Environment regarding the camouflaging of unsightly structures:

Will the Minister advise Members whether the Planning Department has a policy relating to the camouflaging of unsightly structures, and, if so, give details?

Senator F.E. Cohen (The Minister for Planning and Environment):

There is no general written policy regarding the camouflaging or screening of unsightly structures that already exist, except that I have issued guidance to reduce the visual impact of roof plants, such as air-conditioning plants. I have adopted camouflaging in relation to telecommunication masts and cabinets. When considering the sites of these structures I ensure that they were located close to existing groups of trees to mitigate their impact, or if this was not possible that trees be planted close by during the first available planting season. Policy G2 of the Island Plan, a generic policy, deals with general development considerations for new proposals and states that: "Any proposed development should not unreasonably affect the character and amenity of the area in which it is situated, nor have an unreasonable impact on the neighbouring users and the local environment by reason of visual intrusion or other amenity considerations." The department's legal powers do not extend to require owners to screen or disguise such structures which already exist. Thank you.

3.3.1 The Deputy of St. Martin:

Would the Minister consider that it is time really that the policy was adopted, particularly for those who have already ... in respect of retrospective applications? Because quite clearly there are a number of sites around the Island which are unsightly. What steps could the Minister take to ensure that there are some proper camouflaging of these particular sites?

Senator F.E. Cohen:

I am very happy to look at the matter and prepared to undertake to do so, but dealing with the matter of retrospective applications is complicated and one would need to ensure that we were fair to property owners and did not place unreasonable burdens upon them. I am perfectly happy to look at the issue.

3.3.2 Deputy A.T. Dupre of St. Clement:

I just wondered if there is any chance of anything being put in front of the incinerator, because if you are driving along St. Clement's Bay that is going to be the most hideous eyesore and will there be any way of disguising that?

Senator F.E. Cohen:

I do not think anyone has ever suggested that the Energy from Waste plant was not going to have a very significant impact. What the Planning Department have tried to do is ensure that the impact is mitigated as far as possible by competent architecture. I am not expecting that the building is going to be invisible. There is a very clear and very well put together landscaping proposal to further mitigate the visual impact of the Energy from Waste plant, but I am afraid it is a rather large building. Thank you.

3.3.3 The Deputy of St. Martin:

Could I just ask the Minister ... I thank him for his honesty and I look forward to working with him, possibly, in finding a way through particularly for those with retrospective applications. But could I just ask the Minister is he happy about the nature of magnetic fields and has a survey been carried out of recent times to ensure that there is no effect for people living within close proximity to these antennas and other structures?

Senator F.E. Cohen:

With respect, I do not see that that is related to the question. I ask your direction whether I need to answer it, as I am not prepared for such an answer.

The Deputy Bailiff:

I think it is not very closely related, is it? Very well. We come on to question 4. Deputy Le Hérisier has a question to ask of the Minister for Health and Social Services, which I understand is to be answered by Deputy Noel.

3.4 Deputy R.G. Le Hérisier of the Minister for Health and Social Services regarding the reduction in 'Health Tourism':

Could the Minister describe what steps, if any, have been taken to reduce health tourism and advise whether or not they have been successful?

Deputy E.J. Noel of St. Lawrence (Assistant Minister for Health and Social Services - rapporteur):

Health tourism is a generic term to describe patients and clients who come to Jersey for the express purpose of accessing our Island's high quality health and social services because services are of a quality or not available in host countries. Suspect health tourists have grown rapidly in the last 2 years and it is causing considerable pressure on Health and Social Services' resources and cash limits. We hope the Deputy will understand that if we do not go into more specific detail and explain how it occurs, the rationale for this is, because it would inform the individuals who try and take advantage of our services to better understand how to abuse our excellent health and social care systems with more confidence than they already do. To manage this growth problem, H.S.S. (Health and Social Services) staff are adopting a more rigorous approach to assessing individual

patients' circumstances when attending clinics. Inevitably, many are still able to slip through with carefully considered answers to our questions and the detection rate remains low. We believe that only a clearly-agreed policy will address the fundamental problems and make sure that only genuine patients and their clients receive the care free of charge. Work has been ongoing for some time by officers in our department, but we are hopeful that you will appreciate that this is a highly complex and emotive area. We have recently produced a revised policy which will hopefully be available for limited consultation and at least to Scrutiny later this week.

3.4.1 Deputy R.G. Le Hérissier:

I wonder, in that slightly disappointing reply, whether the Assistant Minister could define the areas where the pressure is most being felt from health tourism and whether his department is targeting these areas?

Deputy E.J. Noel:

Again, without ... I feel a bit like a tax collector here where you do not want to state where the loopholes are so that people can take advantage of them. There are 2 main areas: one is in highly-specialised surgical procedures and in drug requirements where individuals claim residency and then attend a G.P. (general practitioner) knowing that they have a serious condition that requires complex or expensive treatment. The second large area is in the care of our older people and in nursing homes and this is where individuals come to an elderly age in their own country and then move to Jersey where they have adult children and after a short period of time then can no longer live with those children and then enter our elderly care.

3.4.2 The Deputy of St. John:

Could the Assistant Minister tell us where, in general, the health tourists come from? Identify the countries, if at all possible? Who is paying for the surgery? I believe he has partly answered that, but can he confirm that it is being paid for out of the taxes and Social Security budget in Jersey?

Deputy E.J. Noel:

I think it would be inappropriate to name specific countries because they are quite wide-ranging and depend on individual circumstances; it is not just isolated to one or 2 jurisdictions. I can confirm that indeed the secondary care is coming out of the Health and Social Services' budget and the primary care, which is the visits to the G.P.s, are coming out of the Social Security funds.

3.4.3 The Deputy of St. John:

A supplementary on that. So it is for the Minister or Assistant Minister to answer questions put to him at this time, not to fluff it and say he does not want to give that information? Question time is here and when it was put together before Ministerial it was that we could get the information out of the Ministers and if it took 20 minutes to answer the question they would have to answer it. We have to be able to get the information. That was agreed by this House at the time of setting up Ministerial government.

The Deputy Bailiff:

The manner, Deputy, in which an Assistant Minister or Minister answers a question is a matter for the Assistant Minister or Minister and ordinary political consequences flow from that in due course. Now, Deputy Tadier.

3.4.4 Deputy M. Tadier:

Very much in the same vein as the previous questioner. We have just heard from the Assistant Minister that it is inappropriate to name countries. We heard earlier in the first answer that we could not be given information for security reasons because of loopholes, as if in some way we are to believe that these health tourists are going to be sitting there scrolling through the Hansard of the States of Jersey. This basically beggars belief. Will the Assistant Minister simply admit that he

does not have the information to hand and will he make an undertaking to come back to Members with the information in written form, rather than giving us these poor excuses?

Deputy E.J. Noel:

I am not prepared to give the names of various countries where these people come from at this time (1) because I do not have the exact details of the relevant percentages from country to country and (2) it is extremely difficult to identify who is a health tourist and who is not a health tourist. So, the fundamental data is (1) at best not reliable and (2) it would not be appropriate to issue it in this form. I am happy to speak to Members privately to give an indication of the likely sources of health tourists, but I am not prepared to make that out into the public domain at this time.

3.4.5 Deputy M. Tadier:

Very quickly. We have just heard from the Minister that he is happy to speak to Members privately. I mean, this completely undermines the whole purpose of question time, which is to be taken in public. I would suggest that any information that he does impart to Members in private, it should be just as easily done in public. Will the Assistant Minister agree to share any information that is requested with Members publicly?

Deputy E.J. Noel:

The information that we have, because of the nature of it, is not necessarily reliable. It is not statistically accurate information. It is only indicative. So, at this moment, I am not prepared to put into the public domain indicative information.

3.4.6 Senator J.L. Perchard:

Is the Assistant Minister satisfied that there are robust procedures in place for frontline practitioners to identify a health tourist, yes or no?

Deputy E.J. Noel:

At this moment of time the current policy is not as robust as we would like it to be. It is extremely easy for a health tourist to circumnavigate the limited policies that we have at present; however, a new policy has been drafted up and will be going out for limited consultation and to Scrutiny hopefully later this week.

3.4.7 Senator J.L. Perchard:

A supplementary, if I may. I assume that was a “no” answer; there are not robust procedures in place. Given that is the case, can the Minister give the Assembly some indication as to the likely recovery from the health tourist in terms of monies? How much in the first year, since the withdrawal of the Reciprocal Health Agreement, is the Health Department likely to recover from the health tourist?

Deputy E.J. Noel:

I believe that the good Senator is confusing 2 issues there. The Reciprocal Health Agreement is not about health tourism. Health tourism is about people moving to the Island purely to take advantage of our excellent health and social services. The Reciprocal Health Agreement is a separate issue and the 2 are not to be confused.

3.4.8 Senator J.L. Perchard:

Could I ask the Assistant Minister if he could give an indication as to how much the department is likely to recover in the first year since the withdrawal of the Reciprocal Health Agreement from the health tourist? A simple question.

Deputy E.J. Noel:

I believe that I have answered that in terms that the good Senator has confused 2 issues. To give an example of the amount of money that we are likely to save, with regards to health tourism, typically a highly specialised surgical procedure or drug requirement patient costs us in the region of £50,000 per year per patient. For the nursing care, older persons' care, that per client is costing us £80,000 per year. We just simply do not know how many such individuals we have because we do not have ... **[Interruption]**

The Deputy Bailiff:

Senator, you have asked your question. The Assistant Minister has given you the answer. You may not like it very much, but he has given it. Senator Ferguson.

3.4.9 Senator S.C. Ferguson:

To my knowledge the department has been promising to do something about health tourism for some years. Does the Assistant Minister not realise that this is taxpayers' money that he is throwing around so glibly and that the taxpayers are entitled to know exactly what their money is being spent on? Will the Assistant Minister undertake to bring the information that has been requested during this question time back to the House so that we can ... the taxpayers and this House can understand where the money is going?

Deputy E.J. Noel:

I agree entirely with Senator Ferguson, except on one area. We simply do not know, and have no means of knowing, how many health tourists we have. There is no way of being able to identify the number.

Senator S.C. Ferguson:

Is it not about time then that the department did something sensible to look at this? **[Members: Oh!]**

Deputy E.J. Noel:

If the good Senator would listen to what I said, we have produced a policy into our form. It is going out to limited consultation and it is going to Scrutiny later this week.

3.4.10 Deputy R.G. Le Hérissier:

Would the Assistant Minister not acknowledge rather than becoming fortress Jersey, why does he and his opposite number in Social Security not negotiate an order that there are full reciprocal rights? For example, U.K. pensioners who arrive here cannot use their benefits for elderly care once they arrive? Why does he not fight and fight - given what Senator Perchard has said - for the reinstatement of the Reciprocal Health Agreement, which would avoid the kind of temptations we are seeing now?

Deputy E.J. Noel:

We would not only have to renegotiate with the United Kingdom to re-implement the Reciprocal Health Agreement, if they were willing to do so - which I do not believe they are - but we would have to do so with every other country in the world. It simply is not practical. What we need to do is have clear policy guidance here in our own jurisdiction to ensure that we put up sufficient barriers in place to prevent health tourism.

3.5 Deputy J.M. Maçon of St. Saviour of the Minister for Education, Sport and Culture regarding the qualifications required to teach the Personal Social Health Education (PSHE) element of the curriculum:

Can the Minister advise the Assembly what qualifications, if any, are required to teach the Personal Social Health Education element of the curriculum?

Deputy J.G. Reed of St. Ouen (The Minister for Education, Sport and Culture):

All teachers who teach Personal, Social and Health Education in our schools are qualified teachers. The majority are usually subject specialists in other areas.

3.5.1 Deputy J.M. Maçon:

Therefore, is the Minister saying that specifically for the P.S.H.E. (Personal Social Health Education) education element of the curriculum there are no formal qualifications required to teach these very important subjects, such as education on alcohol awareness, contraception, drugs awareness, all these very important social skills which we are failing within our society at the moment?

The Deputy of St. Ouen:

I am not saying that. Indeed, it is possible to obtain a teaching qualification in Personal, Social Health Education and we do have a number of teachers in our schools with this qualification. Furthermore, where appropriate, the curriculum receives support from a number of external agencies and organisations who are able to provide specialist advice and knowledge in the particular aspect under consideration. In this way, I believe our students benefit from that expert knowledge, as well as support from our teaching staff.

3.5.2 The Deputy of Grouville:

As the teaching of local politics is carried out and P.S.H.E. is part of the Citizenship Programme, does the Minister recognise there is an issue and a need to train the trainers? If so, what is he doing about it?

The Deputy of St. Ouen:

I do not believe that we need to necessarily educate or train our teachers to educate our children within the political issues that are clearly of concern to the Deputy. However, we do encourage, within the Citizenship Programme, involvement from States Members and Scrutiny. It is in this respect that I think the students will gain the greatest benefit.

3.5.3 The Deputy of Grouville:

I fully accept that and as one of the politicians who attends a school on a regular basis to teach local politics I am aware that there are other politicians here that also do likewise. However, there is - and surely he must recognise this - a need to train the teachers. Does he not recognise this fact?

The Deputy of St. Ouen:

I am aware that we need to improve the education of our youngsters in all aspects, including the way that this Island is governed. I believe also that we are working with primary school children so that they can better understand how our government works. I would be happy to discuss with Members how best to pursue and develop this particular aspect of the programme.

3.5.4 Deputy S. Pitman of St. Helier:

Given the enormous and ever-increasing amount of issues that teachers are currently forced to try and cover adequately within the Citizenship Programme, will the Minister consider reviewing this with his department?

The Deputy of St. Ouen:

Sorry, I could not hear what the Deputy was saying.

The Deputy Bailiff:

Could you repeat the question, Deputy, please?

Deputy S. Pitman:

Given the enormous and ever-increasing amount of issues teachers are currently forced to try and cover adequately within the Citizenship Programme, will the Minister consider reviewing this with his department?

The Deputy of St. Ouen:

A review of this whole part of the curriculum has started and will be completed by July next year. One of the outcomes of this review will certainly be additional training for teachers in this area and I am sure some new resources.

3.5.5 Deputy G.P. Southern:

Will the Minister give details to Members of (a) the details of the qualification currently undertaken, how many teachers have undertaken that qualification, and (b) will he outline to Members what arrangements he intends to make so that those with a vote in our schools and colleges, in 2 years' time, are allowed reasonable access to politicians standing?

The Deputy of St. Ouen:

I have not got the details of the qualifications to hand, but I will provide that to the Deputy. Equally, I am working with the department to ensure that those of voting age will properly understand their opportunity and grasp the opportunity to get involved in the next elections.

3.5.6 Deputy G.P. Southern:

Will he enable greater access better than in the last elections which, quite frankly, was pitiful?

The Deputy of St. Ouen:

Yes.

3.5.7 Deputy M. Tadier:

Just some clarification. In response to the first question by Deputy Maçon, the Minister said that the majority of teachers of P.S.H.E. are specialists in other areas. Given that it is not possible, or as far as I know that none of our teachers here are specifically and uniquely trained in P.S.H.E., does the Minister rather mean that all of those teachers are specialists in other areas, not just the majority?

The Deputy of St. Ouen:

No, they will be specialists in geography, biology, science and other areas which obviously play a part in the understanding of the particular issues involved. Furthermore, there is ... and it is possible, as I have already stated, to obtain a particular qualification in Personal, Social Health Education. We do have teachers within our schools - and I will endeavour to provide the number of those teachers to the Deputy - who have this particular qualification.

3.5.8 Deputy M. Tadier:

I thank the Minister for that clarification, but so we can be even clearer, it is not possible, as far as I know, to take a P.G.C.E (Postgraduate Certificate in Education) in P.S.H.E. I think that is what we are asking. So, teachers will train in their specific subjects and then be asked to additionally teach P.S.H.E., but not necessarily to be qualified uniquely in that subject.

The Deputy of St. Ouen:

The information that I have been provided with indicates that teachers can obtain a qualification in this particular subject. Thank you.

3.5.9 The Deputy of St. Mary:

Can the Minister outline the support available to teachers in the fields of global citizenship; for instance, global justice and environmental education?

The Deputy of St. Ouen:

In each school we have a co-ordinator whose responsibility it is to develop the programme of study, provide the teachers with appropriate teaching resources, and indeed provide professional development where necessary. I would expect that the particular areas that the Deputy has highlighted would be included and covered by the co-ordinator within the school system.

3.5.10 The Deputy of St. Mary:

May I add a supplementary to that? There was talk a couple of years ago of having a full-time adviser for environmental education, given the breadth and complexity of the issues. I wonder where that has got to within the department.

The Deputy of St. Ouen:

I am unable to answer that question. As I understand it, I believe that we utilise teachers with a knowledge of geography and science to support the development and understanding of our children.

3.5.11 Deputy J.M. Maçon:

I am glad the Minister has informed the House of the qualification that teachers can obtain. However, can the Minister please explain how this qualification is specific to Jersey and how it specifically covers our political makeup and system?

The Deputy of St. Ouen:

As the Deputy is well aware, this particular curriculum, the P.S.H.E. curriculum, covers a wide range of subjects not necessarily simply about politics and the Island's Government. As such, we need to utilise, as I said before, external agencies and organisations to provide that increased knowledge and understanding to our students.

3.6 Senator A. Breckon of the Chief Minister regarding parking charges at the Waterfront Car Park:

Can the Chief Minister advise the Assembly how much per hour the Waterfront Enterprise Board charges for those who overstay their parking time at the Waterfront Car Park?

Senator T.A. Le Sueur (The Chief Minister):

The Waterfront Car Park is not predicated on a pay-as-you-leave basis and the charges reflect it is short-stay in nature. Rather than customers overstaying parking time, hourly charges increase if customers stay beyond 4 hours. Between the hours of 8.00 a.m. to 6.00 p.m. Monday to Saturday, customers are charged 50p per hour or part hour for the first 4 hours. The fifth and sixth hours are charged at £2 per hour or part thereof and the seventh hour and beyond, a charge of £4 per hour or part thereof. Those hourly rates are clearly displayed and have remained unchanged since January 2005.

3.6.1 Senator A. Breckon:

I wonder in the circumstances if the Chief Minister believes that a fee of over £4 an hour is fair and reasonable and if he does, should it be extended to all public car parking?

Senator T.A. Le Sueur:

As I said in my introduction, this is intended to be a short stay car park and the purpose of charging £4 per hour after the seventh hour is to discourage people from using it as other than a short stay car park. It may well be that the Transport and Technical Services Department, in respect of States car parks, may choose to follow a similar policy in future but that would be a matter for the Minister for Treasury and Resources.

3.6.2 Senator A. Breckon:

I wonder if the Chief Minister is aware that if there is a slight delay and people are using the car park when they travel for the day to France, they pay more for car parking than they do for a day trip to France?

Senator T.A. Le Sueur:

I think anyone going to France would weigh-up in their own mind whether it is better to park in a short stay car park, which strikes me as being an abuse of a short stay car park, or use the public car park located at this terminal for that purpose.

3.6.3 Senator B.E. Shenton:

When the funding for the car park was put in place, it was on the basis that the car park would revert back to the management of T.T.S. (Transport and Technical Services) upon completion. Will the Chief Minister give consideration to bringing the car park back into the fold of T.T.S. as was the original proposition to the Chamber?

Senator T.A. Le Sueur:

That issue was raised in the House some weeks ago and the fact is that at the moment, that car park and the surrounding areas run at a cost to the Waterfront Enterprise Board. If the Senator is suggesting that the States should take on that cost, I do not think it is a good idea at this stage. I think it is far better to deal with this in an orderly way as the total area around that park gets developed.

3.6.4 Senator B.E. Shenton:

What does that say about the Waterfront Enterprise Board if they cannot run a car park and make money out of it?

Senator T.A. Le Sueur:

I was not referring simply to the car park but the surrounding areas. One cannot just take the nice bits of an operation and leave the awkward bits. One has to look at it in its totality and in its totality, it comes with costs.

3.6.5 The Deputy of St. John:

Will the Chief Minister tell us how many car-parking spaces there are within the car park? What percentage is put aside for short stay? What percentage is set aside for the marina use and what percentage is set aside for States departments who are occupying most of the ground floor?

Senator T.A. Le Sueur:

There is an obligation on the Waterfront Enterprise Board to provide 300 spaces in the Waterfront car park for short stay use. I am not aware of any other requirement in addition to that but the obligation is to provide 300 spaces for short stay use.

3.6.6 Senator B.E. Shenton:

I wonder if the Chief Minister would like to comment on what message it may send to visitors to the Island if they are unfortunate to park in this car park and come back to such a charge?

Senator T.A. Le Sueur:

I would point out to visitors and local people alike that there are signs clearly displayed at the entrance to the car park setting out the charges to be incurred if people use that car park. It is up to any customer to read the notice and to abide by it.

3.7 Deputy R.G. Le Hérissier of the Minister for Home Affairs regarding the 'civilianisation' of tasks currently performed by States of Jersey Police Officers:

What further opportunities, if any, does the Minister see to civilianise tasks currently performed by police officers?

Senator B.I. Le Marquand (The Minister for Home Affairs):

It is the intention of the Acting Chief Officer of Police to civilianise tasks currently performed by police officers as much as is possible consistent with operational efficiency and this policy has my full support, but it can only be done once the necessary civilian staff have been recruited and trained as experts in the relevant field and where statute law so allows. The types of areas which could be involved would include work on crime scenes, logistical support for investigations, prisoner handling, missing persons' inquiries and many other similar duties.

3.7.1 Deputy R.G. Le Hérissier:

Could the Minister assure the House that in other areas, for example, human resources, I.T., general administration, there is, in his view, no overlap and there is a clear use of civilian staff where such staff are available and uniformed staff are therefore devoted to fighting crime and working on the streets?

Senator B.I. Le Marquand:

Certainly in relation to human resources, the staff are, in fact, supplied by the Home Affairs Department so they are civilian staff. I cannot say that in all the areas outlined by the Deputy that there may not be police officers currently involved but we are in a process of ensuring that we reduce the unnecessary use of police officers. There are very good cost reasons for this. The approximate cost of a police constable with pensions and everything else is £55,000 a year and the approximate cost of a civilian officer is normally about £35,000 so the service is highly motivated to make changes where it can appropriately.

3.7.2 Deputy T.M. Pitman of St. Helier:

Would the recently announced loss of the force's youth liaison officer and the reality that the community policing aspect of the force is unable to deliver adequately due to being overstretched, does the Minister concede that this youth liaison post might offer some considerable potential for development in the future?

Senator B.I. Le Marquand:

I have spoken to the Acting Chief Officer in relation to that particular change. The officer involved, of course, retired from the force and then joined Prison? Me! No Way!, in fact, so he was not made redundant, he just moved job. I am concerned at the difficulties being experienced by the police force in terms of community policing in the form which has been happening in the past. What I am being assured is that a new model of community policing is going to be looked at and the acting leadership is clear that it wants to continue to support community policing but it will likely be done in future in a different format.

3.7.3 Deputy R.G. Le Hérissier:

Would the Minister not acknowledge that he has not answered the question with his customary exactitude? Would he define the number of posts he is looking to move to civilian work as opposed to general reassurances? Secondly, would he not say that the solution often lies in lateral thinking, for example, reducing the paperwork burden on officers and dealing with issues like the fact that only apparently 3 speeding allegations can be processed an hour?

Senator B.I. Le Marquand:

I entirely agree with the comments about lateral thinking and it is for that reason that I entirely support its reorganisation. The reason I have not given my customary detail is I do not have it. I was provided with detail in the form of the types of post, not in terms of the numbers of posts that might be involved.

3.8 Deputy G.P. Southern of the Minister for Health and Social Services regarding the funding for the implementation of the Williamson Report:

I fear I know the answer. Will the Minister inform Members whether the funding for the implementation of the Williamson Report has been finally agreed and, if so, when was it agreed and will she inform Members what elements, if any, are in place for 2010 onwards?

The Deputy Bailiff:

Minister, I understand this is to be answered by Deputy Martin.

Deputy J.A. Martin of St. Helier (Assistant Minister for Health and Social Services – rapporteur):

Yes, I am pleased to confirm on behalf of the Minister for Health and Social Services and all of us at Health that £2.8 million has been granted in the cash limits for Health and Social Services in 2010 and this will be followed by additional investment of a further £200,000 in 2011 and another £300,000 in 2012. The Deputy and other Members will see from a statement that is to be read out by the Minister shortly that there are very many priorities already ready to go. We are bringing in Andrew Williamson as a transitional lead to make sure that this does start to happen in 2010. Basically, the Children's Plan, Court Advisory Services, monies for charities such as Brighter Futures and Millie's Contact Centre are all ready to go and we are asking Andrew Williamson again to look at the very, very important part of independent advocacy service and he will make that a priority and, hopefully, we will be introducing that in 2010.

3.8.1 Deputy G.P. Southern:

Does the Assistant Minister not agree that finalising funding at this late date was unfortunate in that many of the recipients of projected funding in December are unaware what their January budget will be?

Deputy J.A. Martin:

Well, we are where we are. Health was ready to go and was trying to get the funding in May or June. I can see where the Deputy is coming from. He seems to have very much concern, like we do at Health, about Brighter Futures. Brighter Futures has always been told - and I have had personal contact with the person who runs Brighter Futures which is located at the Bridge - that please be patient but we were told they did have the money. Their own money would cover 2010 and there was not an urgency. We only found out quite late that there was an urgency but they are in the funding for 2010 to carry on their much-needed work. When Mr. Williamson is here, he will need to look at all these charities - any duplication, how we are getting into all the vulnerable families - and this is work that has got to be done.

3.8.2 Deputy G.P. Southern:

I have 2 questions. One, the Assistant Minister referred to some £3.3 million in total when the original budget for Williamson was £5.6 million. What has happened to the remaining £2.3 million? Where is it and when is it, if anywhere? Secondly, will she specifically put her full backing behind low level interventions like Brighter Futures from Williamson and from our own report into vulnerable children which suggested that it was essential work even though it comes a long way down the pecking order and is not only restricted to vulnerable children but is non-

stigmatising and tries to get a broad base of families in order to put in early intervention to prevent major difficulties later on?

Deputy J.A. Martin:

For the original funding... and the Deputy will remember that there was a recommendation that we have social workers up to layman compliance, but even the Scrutiny Panel on Vulnerable Children said this may not be the time. We need to get what we are doing right first before we increase. The Deputy asked will I give my full support. Well, the Deputy does know me. Of course, we want early intervention and advocacy. Just today, we are interviewing for the Board of Governors for Greenfields which are going to go into the children's homes. Yes, the Bridge, Brighter Futures, Grands Vaux; all work with families - early intervention - but we need to do much more of it. I fully support this and I hope that is what the Deputy wants to hear, and I am not the only one, but we need to get moving now and this is why I think we have a fantastic opportunity. We have got a transitional lead coming in who will hit the ground running. We do not need to teach him to suck eggs and he will be getting on with the work starting January 2010.

3.9 The Deputy of Grouville of the Minister for Home Affairs regarding the funding of the salaries of the suspended Chief Officer of Police and the Acting Chief Officer:

Is the Home Affairs budget currently funding both the salary of the suspended Chief Officer of Police and the Acting Chief Officer and, if so, could the Minister advise how many regular police on the beat one of these salaries and pension provisions could pay for?

Senator B.I. Le Marquand (The Minister for Home Affairs):

The answer to the first question is: "Yes" and the answer to the second question is that the approximate increased costs by reason of the suspension in terms of staff costs are, as I believe I indicated 3 weeks ago, of the order of about £160,000 a year. I have just given the figure for the average costs of a police constable as being £55,000 and so the arithmetic comes out an average of just under 3 although my notes tell me that, in fact, it is 2 and a half to 3 and a half, depending upon the pay scale of individual officers.

3.9.1 The Deputy of Grouville:

Does the Minister believe that the public are being badly let down when due to delay and lack of conclusion to the suspension of the Chief of Police that as well as costing the taxpayer thousands of pounds, public safety is also being compromised?

Senator B.I. Le Marquand:

No, I do not. It is my belief that the public, other than those who have extremely short memories, want to know what happened in February 2008 and, in the months thereafter, why the Island received the adverse publicity internationally which it did and what responsibility different senior police officers have for that. Those are all issues which will be unravelled in due course as part of the current investigations.

3.9.2 The Deputy of St. John:

How many officers are currently working under the Attorney General's Department and can a claim be made against the Crown Officers' budget so as additional officers can be brought in to do the regular policing of the Island?

Senator B.I. Le Marquand:

My friend, the Deputy of St. John, has once again caught me out here because he did ask me a question prior to it about the so-called A.G.'s police force. I have not, in fact, yet followed that up so I do not know how many are currently working. What I do know is that there are currently huge

pressures on the financial crimes investigation part of the police force and those pressures are unlikely to decrease. There are also currently a number of major investigations, some of which are in the financial crimes area and, frankly, the police force would not be able to fund these were it not for the fact that we have recourse in relation to such complex cases to court and case costs as an overspill of normal expenditure but I will find out the answer to the original question.

The Deputy Bailiff:

Can I inform Members before this hare goes running too far that Crown Officers are not the responsibility of the Minister for Home Affairs.

3.9.3 Deputy T.M. Pitman:

Referring back to the original question, would the Minister advise what impact, if any, this continuing and longstanding situation now is having on morale within the police force?

Senator B.I. Le Marquand:

I am not sure I want to answer that question because different people have different opinions. My general appreciation of the situation is that police morale is higher at the moment than it has been for a long time.

3.9.4 The Deputy of St. Martin:

The Minister said that the cost was about £160,000 but will the Minister also accept the fact there are 2 other officers suspended and they have been suspended for well over 12 months. One is of quite senior rank so in addition, really, to paying for the suspension of the Chief Officer, there is also the cost of 2 other officers who are suspended. On top of that, of course, there are the excessive costs at the moment with the Wiltshire Police inquiry. Would the Minister accept that possibly if indeed all the officers were back at work or indeed they were not paid to be off work, that we could probably have more than 3 officers back on the beat?

Senator B.I. Le Marquand:

The Deputy of St. Martin is absolutely right. There have been 2 other officers, one of whom is quite senior, suspended for some time. Unfortunately, there has been a lengthy delay there primarily due to the criminal investigations having to be completed first which delayed matters. I am able to inform the House that the disciplinary hearings in relation to these 2 officers will be taking place in February. The Deputy is, of course, right that these 2 officers being suspended are a further substantial drain upon police resources.

3.9.5 Deputy A.E. Jeune of St. Brelade:

The Minister gave the cost of police constables to the Island. Could the Minister advise how that cost compares with a village P.C. (Police Constable) in the United Kingdom and a city Police Constable?

Senator B.I. Le Marquand:

I am afraid that that question is too difficult for the Minister for Home Affairs without notice. I do not have those figures available. I understand that police officers are very well paid.

3.9.6 Deputy M.R. Higgins of St. Helier:

In a written answer today, the Minister has indicated that there were 1,649 days lost to sickness by the police force up to 30th November. What steps are being taken to minimise the amount of time that officers are having off or to check that they are off for valid reasons?

Senator B.I. Le Marquand:

I understand that, in fact, the figures are lower than the average figure in relation to States workers generally which is quite surprising because one would expect active police officers to suffer

physical injuries from time to time during the course of their duties which would render them unable to return. I think those figures are good.

The Deputy Bailiff:

Can I say that that last question was right at the very margins of a question which relates to the original question.

3.9.7 The Deputy of St. John:

Given the comments made by the Chair to the Assembly a few moments ago, would the Minister look at using the ‘user pays’ charges and charging the Crown Officers’ Department for the time that his officers are employed by that particular department?

The Deputy Bailiff:

I do not see that that relates either to the question. **[Laughter]** The final supplementary, the Deputy of Grouville.

3.9.8 The Deputy of Grouville:

The Minister was on the radio last week claiming that due to budget constraints, there were not as many Bobbies on the beat as he would ordinarily like. Given this very unsatisfactory state of affairs pertaining to the suspension of the Chief Officer and now we learn from the Deputy of St. Martin, 2 other officers, could he give this Assembly his assurance that these conclusions are going to be reached as soon as possible?

Senator B.I. Le Marquand:

I am absolutely certain I have never used the phrase “Bobbies on the beat”. That is not a phrase that I would ever use. The answer to the question is I have already given a date for the disciplinary hearings in relation to the other 2 officers. The answer in relation to the Chief Officer of Police is that this is a very complex investigation and I am able to now move it further forward thanks to additional information I have received in the last fortnight and will do so as rapidly as possible.

3.10 Deputy J.M. Maçon of the Chairman of the Privileges and Procedures Committee regarding the review into the efficiency of States business:

Will the chairman undertake to review the original list of considerations for the review into the efficiency of States business to include other matters offered to her by States Members before the January hearings and will she inform the Assembly of the membership of the review group and the criteria for their appointment?

Connétable J. Gallichan of St. Mary (Chairman, Privileges and Procedures Committee):

The States Business Organisation sub-group is a sub-committee of the Privileges and Procedures Committee and therefore consists of members of the committee. Membership of the group was discussed at the committee’s meeting of 20th November and the following members volunteered: the Constable of St. Mary, the Deputy of St. Peter and Deputy Fox. Other members of the Privileges and Procedures Committee also expressed an interest in taking part in discussions when available. At the conclusion of the review, the sub-group will report its findings and any recommendations to the full committee. The nature of the review being undertaken by the group encourages suggestions from other members. As stated in the letter to all States Members dated 25th November, a number of possible areas for review have been identified so far. However, this is not an exhaustive list and the group welcomes the ideas and opinions put forward by all other Members. Members are therefore invited to attend the hearings with the sub-group between 11th and 15th January 2010 to express those views.

3.10.1 Deputy J.M. Maçon:

I thank the chairman for her response. However, I believe the issue is that when presented with the list, it is much easier to talk about the subjects on that list than perhaps introduce new ones. This is why that certain Members felt that perhaps it would be important to introduce new points to this list before the January hearings and I was wondering if the chairman would offer to take any further points before the January hearings?

The Connétable of St. Mary:

As I have indicated, all suggestions for areas for review are welcome. The list is not the terms of reference for the review, just simply an outline to enthuse Members when the letter went out and hopefully engage them to respond and take part in the review.

3.10.2 Deputy D.J. De Sousa of St. Helier:

Could the chairman inform Members what the terms of reference are for this review and if she considered putting out a call to all Scrutiny Panels to see if Members would like to be involved in this review?

The Connétable of St. Mary:

The matter of organisation of efficiency falls squarely in the remit of the terms of reference of the Privileges and Procedures Committee - Standing Order 128 - to keep under review the composition, the practices and the procedures of the States as Jersey's legislature. Therefore, it is firmly in the domain of the Privileges and Procedures Committee.

3.10.3 Deputy M.R. Higgins:

In fact, I am surprised at the list of names that were put forward because I thought I put my name forward for that as a member of P.P.C. (Privileges and Procedures Committee). I certainly did volunteer for it and I would expect to be on that body. Would the chairman confirm that I will be a member of that sub-panel?

The Deputy Bailiff:

Deputy, that seems to me to be a matter internal to P.P.C. Deputy Southern?

3.10.4 Deputy G.P. Southern:

I do not believe the chairman answered the previous question about what the terms of reference are. Will she do so and will she further state how she intends to report back to the House and will she be reporting back in the form of a report which is a higher quality than her review of Ministerial government which contained every suggestion that was put to P.P.C. without any evaluation whatsoever. Will she bring some evaluated judgment and recommendations back to this House?

The Connétable of St. Mary:

Firstly, the previous review that the Deputy refers to was undertaken by the previous Privileges and Procedures Committee, of which I was not the chairman. This review is, as was set out in the letter that was circulated to all Members, simply a way to look at ways of improving how the States carry out their work in order to enhance efficiency and it was pointed out in that letter that it would need to embrace all areas of States business. Therefore, we are at this time asking Members to put forward all views they have on ways in which the efficiency of the States can be investigated. The list of suggestions indicated came from initial comments that different Members from various areas of the Assembly had made. These were put down but they are not exhaustive and the remit of the sub-committee is to investigate simply how the efficiency of the States meetings can be improved.

Deputy G.P. Southern:

May I?

The Deputy Bailiff:

Some very wide terms of reference so far, Deputy, yes.

3.10.5 Deputy G.P. Southern:

Indeed, no terms of reference really suggested and no commitment on whether she will come back to the House with recommendations and evaluated ways forward rather than just a list of this person said this and this person said the opposite.

The Connétable of St. Mary:

I apologise. I did mean to include that in my answer. Certainly the Privileges and Procedures Committee has already initiated work - research - on the workings of other parliaments which will be used as a basis of evaluation of an indication of other options available. Once the sub-committee has undertaken the review, any recommendations will be put to the Privileges and Procedures Committee and then, in the normal course of events, either a report will be given to States Members or depending on the conclusions drawn - and I have no intention at this stage or at any stage of pre-empting the findings of that committee - a proposition for perhaps enhancements to procedure will be brought to this Assembly. This Assembly is paramount in that.

3.10.6 Deputy A.E. Jeune:

While the chairman has given a very good broad answer I wonder if she could just clarify whether this review group will be addressing the length of time Members speak for? Thank you.

The Connétable of St. Mary:

As indicated, this committee will be asking Members for their views on many issues, on any issues they think will be able to enhance the workings of the States Assembly. If Members choose to talk to us and bring their views on length of speeches, for example, or on any item they think has a valid chance of enhancing the States workings, then they will be considered by the review group.

3.10.7 Deputy S. Pitman:

Could the chairman inform Members what prompted P.P.C. to do such a review? Thank you.

The Connétable of St. Mary:

Basically, over recent months I have been having more and more informal comments from Members - and I stress Members from all areas and all sides of the Assembly - who felt that the other legitimate work which they are as elected Members required to undertake, not least of all I would emphasise the Scrutiny function, were being concertinaed into a smaller and smaller time each week and certainly one area that was of grave concern was the inability to plan ahead for inviting expert witnesses, *et cetera*, to Scrutiny Panels when it was uncertain whether the States would be sitting on what would normally be termed to be non-States days.

3.10.8 Deputy S. Pitman:

Supplementary. It is my understanding that most of the concerns have come from the Council of Ministers and indeed this is what has prompted the P.P.C. to do this review. As I recently had a look at some minutes from the Chairmen's Committee in which Scrutiny had made several suggestions to the P.P.C. to deal with certain issues and just about all of those issues were turned down. I am afraid to say that I feel this review is going to be very one-sided.

The Connétable of St. Mary:

I am not sure what the question was.

The Bailiff:

The question I think was is the review going to be very one-sided and is the Privileges and Procedures Committee the lapdog of the Council of Ministers? **[Laughter]**

The Connétable of St. Mary:

I am very easily able to answer that particular question. No, it is not going to be one-sided, no P.P.C. is not the lapdog and if the Deputy will look at the Members that I have already said are from the P.P.C. - which as Members know straddles both the Executive and the Non-Executive - there are no Executive members on the review group.

3.10.9 The Deputy of St. Mary:

Really following on from the previous question I suppose, does the chairman agree that the media coverage of this efficiency review completely ignored the deficiencies on the Ministers' side, for instance propositions being brought with completely inadequate information [**Approbation**], reports and comments coming in on the day of the debate and reports with misleading information? The question is, why was the media coverage the way it was and does the chairman find that in ignoring the deficiencies on the Ministers' side that coverage and also the original letter did a disservice to the review?

The Connétable of St. Mary:

No, I do not. A balanced impartial media press statement is prepared for all releases that P.P.C. does. How the media pick it up will depend on the mood of the moment. Certainly I was interviewed at length. Unfortunately, at one stage, I was cut off by time, as often happens to us, just as I was getting to what I call the really interesting bit. However, I would say that our review is not in any way ignoring the failings of the Executive. For example, in the letter which was circulated I did say that the committee was working on a standard format for reports and we have had already, in recent weeks, a number of examples of where reports have been deficient and the work which P.P.C. is undertaking, unfortunately it seems to be of cart before horse now, but it was certainly aimed to avoid such failings in reporting and was certainly aimed, I think, not specifically at the Non-Executive, so the Deputy can draw his own conclusions.

3.10.10 The Deputy of St. Mary:

The chairman said that research is under way and I am very pleased about that because of what is happening in other jurisdictions. Will that research also apply to all the issues that will come the chairman's way shortly about a balanced review covering all sides of the House? Will that research then cover all those aspects equally?

The Connétable of St. Mary:

Yes, of course. The research that P.P.C. undertakes simply looks at what happens in other jurisdictions. It does not look at it from any particular angle and if any new suggestions come to light during the course of the review they will be looked at on their own merits.

3.11 The Deputy of St. Martin of the Minister for Economic Development regarding a review of the current liquor licence fees charged annually under the Licensing (Jersey) Law 1974:

Given that on 26th September 2007 the States approved P.117 of 2007 and requested the Minister for Economic Development to review the current liquor licence fees charged annually under the Licensing (Jersey) Law 1974 and to finalise the review and publish its findings no later than 1 August 2008, will the Minister inform Members why the findings have not been published and when they will be published?

Senator A.J.H. Maclean (The Minister for Economic Development):

The Deputy's question is slightly misleading. I was asked in P.117 to review the fee structure relating to the 1974 Licensing Law. P.117 specifically asked for the review to be finalised and the findings published no later than 1st August, as the Deputy has said, in 2008 or before any requests are made for further increases. I can confirm no fee increases have been sought and indeed will not

be until the review is complete. The review was also extended to include all aspects of the complex Licensing Law. I expect to be able to publish the results of the Green Paper by February 2010.

3.11.1 The Deputy of St. Martin:

It is tit for tat here. Will the Minister agree then that by the fact that the fees have not been brought back to the House as indeed by August last year that the Exchequer or the States have lost considerably thousands of pounds in revenue or lost revenue which would have come had the review been carried out within the stipulated time?

Senator A.J.H. Maclean:

Is the Deputy encouraging me to put the fees up? It is only a couple of weeks ago he was arguing completely the opposite with regard to the gambling legislation. No, I do not feel that the Exchequer has lost out. I think it is more important that we deliver a fair and reasonable liquor licensing law and its licensing law as a whole.

3.11.2 The Deputy of St. Martin:

Fifteen all. Will the Minister agree then to carry out a comparison for cost recovery with the gambling industry in comparison with the liquor licensing fees which the Minister will know are very, very low?

Senator A.J.H. Maclean:

No; I think the 2 are totally unrelated. As we have mentioned previously, as far as gambling is concerned, that is a regulatory function. As far as the licensing law is concerned, it is not to regulate the law, it is more of an administrative function currently. Consequently there are no direct comparisons between the 2.

3.11.3 The Deputy of St. Martin:

Will the Minister not agree then surely that if there is a certain amount of cost recovery in issuing a licence say for an off-licence, category 6, which is only £114 and yet asking maybe a local club to pay £20, £30 for a fee to a run a bingo or a raffle so would he not consider some cost comparison is important?

Senator A.J.H. Maclean:

No, I do not, not between 2 industries. However, I do agree that it is important that the fees are properly reviewed as part of the process that is currently underway.

4. Questions to Ministers Without Notice - The Minister for Home Affairs

The Bailiff:

Very well. We now come to questions without notice and the first question period is for the Minister of Home Affairs and I ask Senator Ferguson to speak.

4.1 Senator S.C. Ferguson:

In his written answer this morning the Minister for Home Affairs confirmed that we are members of A.C.P.O. (Association of Chief Police Officers). He will recall that A.C.P.O. have recently come in for some stick in the U.K. because of their attitude to taking D.N.A. (Deoxyribonucleic Acid) samples of people who were not charged and there was no charge against them, no case, nothing. They were deemed innocent and allowed to go free. Would the Minister tell us what the position is with regard to D.N.A. samples taken from people in Jersey who are then not charged and deemed to be innocent and are the samples destroyed immediately?

Senator B.I. Le Marquand (The Minister for Home Affairs):

If the Senator would care to read one of the answers to the questions posed by Deputy Higgins, she will find a complete answer there. This is governed by statute and the position is that D.N.A. samples are destroyed if a person is not charged. That also includes if they are dealt with at a Parish Hall Inquiry, but there is quite a full answer on that precise point. Indeed, if they were acquitted, the same would apply.

4.2 Deputy M.R. Higgins:

The question for the Minister is could he update us please on the Wiltshire Inquiry into possible data protection breaches by the Chief Officer and others? Can he give us an update as to how that review is progressing and when we are likely to get a result?

Senator B.I. Le Marquand:

I think the question relates to what I call Wiltshire 2 and I am afraid I am not able to update because I cannot be directly involved in relating to the people involved in relation to that so I simply have no information. I do not anticipate I will get any information other than general information as to progress, which I also do not have at this stage until I get a final report on that.

4.2.1 Deputy M.R. Higgins:

Sorry, just following up on that; it is the progress that I am interested in, not the actual findings because we will wait for that when they come. Can you tell us when it started and when they have indicated it is likely to finish?

Senator B.I. Le Marquand:

It took a little time to get set up because this is quite a complex investigation which is not purely for potential disciplinary matters, it is also looking at potential criminal offences. It took a month or 2 to get set up in order to get the terms of reference right and things of that nature. It has been continuing. I, in fact, had asked exactly the question I am now being asked by an email within the last week or so, but I have not had an answer to tell me exactly where they are so I am afraid I am not able to confirm that.

4.3 The Deputy of St. Martin:

Maybe I could just follow up that before I ask my question. If the Minister felt that he may well be conflicted because he will have 2 roles to play, would the Minister not consider it might be appropriate maybe to delegate that responsibility to an Assistant Minister? Really to get down to the real question I want to ask also, 2 or 3 weeks ago the Minister indicated that the cost for the Wiltshire Inquiry was £530,000-odd and rising and he was going to look into the cost particularly of the hotel and travel fees which, I think, were well over £170,000. Is the Minister able to give us an update on whether those fees or those costs were justified?

Senator B.I. Le Marquand:

As usual the Deputy has posed a number of questions together and I am afraid I cannot remember the first one because I was so focusing on the last one. In relation to the costs of Wiltshire 1, as I like to call it, I have received detailed figures. I was particularly interested in the issue of the costs of transportation. What the Members of this Assembly must understand is that for many months there were 7 Wiltshire police officers working full-time in relation to this very complex matter. They were coming over on a Monday morning where air fares are very high, normally from Southampton, sometimes from Bristol and then returning on a Friday evening. So, there were considerable costs there. I am satisfied, in general terms, that there has been proper monitoring of costs and expenditure by officers of my department.

The Bailiff:

The first question was whether if there is a conflict, you should not appoint your Assistant Minister.

Senator B.I. Le Marquand:

I am not sure what the conflict is that has been referred to. Perhaps the Deputy could clarify what conflict he sees.

4.3.1 The Deputy of St. Martin:

In answer to Deputy Higgins, the Minister implied that he could not involve himself because he would have to be the final judge. I was just asking really if that is the case would it not be more appropriate maybe to delegate some of those responsibilities, where he may well find himself conflicted, to the Assistant Minister? It would go back really to what we had when Senator Kinnard was the Minister. She felt she was conflicted, so she passed on her responsibilities on to her Deputy.

Senator B.I. Le Marquand:

I understand the question and of course I am able to utilise the services of my excellent Assistant Minister in ways like this, although in reality when it is simply a question of asking for an update as to where we are, I do not perceive any conflict with that at all. What I am more cautious about is getting too close to issues of any potential criminal investigation nature, but the Deputy is quite right. I could utilise my Assistant Minister for these purposes although she might have a similar conflict of course in relation to criminal investigations.

4.4 The Deputy of St. John:

Given that crime has no boundaries and the Jersey Police have to operate outside of the law in France, Holland and Belgium in the Warren Gang Inquiry, what action is the Minister taking to put in place reciprocal agreements on crime with the European Union so our police do not fall foul of the law in other E.U. (European Union) states. If none, please explain why none has been put in place and if he is, would he please give us an update of where he is on putting something in place?

Senator B.I. Le Marquand:

I am not under the impression that formal agreements are required in relation to such matters. It is always open to Jersey law enforcement agencies, which would include Customs and Immigration, to work in co-operation with their colleagues in other jurisdictions. That would be the normal route in my view, but no formal agreements are required for that to take place.

The Bailiff:

If I may assist you, Deputy, it is more a matter for the Law Officers who would pursue such a request on behalf of the police.

4.4.1 The Deputy of St. John:

Supplementary, if I may. As the judge was very critical of the States Police in the Warren trial and having worked outside the law in Europe, has any action been taken or is any action going to be taken against the senior officer in charge of the officers who operated off Island?

Senator B.I. Le Marquand:

I am not aware of any intention on the part of the acting leadership of the police force to take disciplinary action against anybody in relation to this matter. I explained in some interviews which I did in the last 2 weeks or so that although policy is that officers should operate within the law in whatever jurisdictions they are acting, there may be circumstances, and it will be exceptional circumstances, which would warrant operating outside the law, particularly if there were major public safety issues to do with terrorism or things of that nature. These would be wholly exceptional circumstances, but nevertheless they exist and matters of this nature must be judgments to be made by individual officers in particular cases. Those judgments should be made with extreme caution of course and the presumption is very much against acting unlawfully.

4.5 Deputy M. Tadier:

Will the Minister inform Members of progress with the Discrimination Law and whether it is proceeding to schedule?

Senator B.I. Le Marquand:

I had a meeting some months ago with the law drafting lady who is working on that and we looked at the current draft of the law. I am awaiting feedback and results back from her in terms of the improvements from that meeting. What I am saying in short is that the work has already begun in relation to that and will be continuing as rapidly as possible.

4.5.1 Deputy M. Tadier:

Just a supplementary then, when does the Minister think that will be coming back to the House, a rough ballpark date?

Senator B.I. Le Marquand:

I would hope to be bringing the law to the House some time in the autumn of next year. The intention is that it would be passed by this House some time in the autumn of next year, if that is possible.

4.6 Deputy T.M. Pitman:

Given that I have a proposition approved and ready to lodge on the issue of knife crime, would the Minister clarify whether he intends using the 2010 allocated law drafting time to bring forward his own proposals?

Senator B.I. Le Marquand:

I have recently been giving some thought to this, partly as a result of casual conversation with the Deputy in the street, because it is quite a difficult issue. The House, having rejected the equivalent legislation in the U.K. which has a burden shift in terms of evidence on to the accused person if they have a knife or a bladed instrument, I would need to come up with something which was designed for Jersey alone and I do have some preliminary thoughts in relation to this which will probably relate to the time of the day or night when something would be carried and might have a different definition, but my thoughts are extremely preliminary at this stage. It is one of many problems for me to solve during the next 12 months or so.

4.6.1 Deputy T.M. Pitman:

Would the Minister be willing to have another informal conversation, not in the street?

Senator B.I. Le Marquand:

The Minister is always willing to take on board helpful suggestions from colleagues from whichever part of the House they may come.

4.7 Deputy R.G. Le Hérissier:

Given the Minister's previous comments about the very high cost of police constables and the need to civilianise where possible, would he tell the House whether there are steps in train in order to release constables for front line work and to transfer their current work to civilian staff? In what areas is that now happening?

Senator B.I. Le Marquand:

I think I answered the question as to the possible areas before. Among my notes in preparation for the original question were some notes about work which had already been done by the acting leadership, which was put forward in terms of a possible project for the fiscal stimulus package. This, of course, was rejected because it did not meet the 3Ts but nevertheless work has already been done and I did have some figures on this which I did not want to trouble the House with.

4.7.1 Deputy R.G. Le Hérissier:

The Minister is again missing his customary exactness. Could he tell us in what areas that work has been or is being done?

Senator B.I. Le Marquand:

I could if I could find my notes **[Laughter]** which I think I have put away, but I did explain the areas before. It will take me a few seconds to find my previous notes but I am sure Deputy does not want to be troubled on that account.

4.8 Deputy M.R. Higgins:

Just following up on my earlier question about Wiltshire 2 which effectively is looking at possible breaches of the Data Protection Law, could the Minister tell the House whether the investigation that is going on was instigated by himself, by the Acting Chief of Police or was it by the Data Protection Commissioner? I would like to know exactly who is behind the police investigation into it.

Senator B.I. Le Marquand:

I think that the answer to that is that there were concerns obviously from a number of people in relation to this issue. The Deputy is right that if offences have been committed they would be in the data protection area, but I do not think anything was initiated from the Data Protection Commissioner. Therefore I think the primary instigation of matters came from myself in terms of investigation in relation to Operation Blast although it was realised at an early stage that we needed to take into account the possibility of there being criminal matters and that was one of the reasons why it took some time to set up the investigation along appropriate lines to ensure that there were proper safeguards built-in. I think the answer is that I was the primary instigator in relation to the investigation.

5. Questions to Ministers Without Notice - The Chief Minister

The Bailiff:

The 15 minute period has now expired. We come next to questions of the Chief Minister. The Deputy of St. Martin.

5.1 The Deputy of St. Martin:

The States recently approved the States Employment Board amendment regarding the composition of the States Employment Board. Can the Minister inform Members whether in actual fact the drafting instructions have now been submitted to the Law Draftsman?

Senator T.A. Le Sueur (The Chief Minister):

Yes, I can confirm that the instructions have been submitted to the Law Draftsman who sees no particular problems in instigating the arrangements agreed by the States as a result of that debate. I do not have a timescale from her as yet, merely that it seems to be straightforward enough to do.

5.2 The Deputy of St. John:

On 5th December the Minister went off-Island to attend a function in Paris. Could Members be told the nature of the transport he took to that function, who attended the function with him and in what capacity and also what knowledge the Minister has on that particular subject?

Senator T.A. Le Sueur:

I attended in Paris at the weekend the Paris Boat Show at the invitation of the President of the Conseil général de la Manche with whom we are building excellent relations and furthering the ties between Jersey and France. He invited me to the Boat Show to instigate the start of the boat race,

the Tour des Ports de la Manche which goes every year around various ports in Normandy, but this year will be starting for the first time from Jersey. This was a special honour for Jersey and as a result, I accepted his invitation even though it meant having to take a private plane to get there on the day and back again. As a result of that visit, we will be hosting a boat race which will have 100 boats and 700 competitors staying in the Island for a week, which I think will substantially benefit the Island's tourism industry and reputation and I have no hesitation in saying that it was a good investment and a trip well spent.

5.2.1 The Deputy of St. John:

The Minister did not tell us who attended with him. Therefore, will he please tell us who attended with him, and also of the Ministers that attended with him or Assistant Ministers did any of the Ministers have the experience as the Constable of St. Brelade would have had and did the Constable of St. Brelade attend?

Senator T.A. Le Sueur:

This was not a technical visit. This was a visit to promote the Island of Jersey and I believe I am quite competent to do that myself but, in addition, on the stand which is part of the La Manche stand, there is an area set aside for the Channel Islands and Members present were the Harbourmaster, Mr. Howard Le Cornu and other members of the Harbours Department staff who will be there throughout the duration of the boat show.

The Deputy of St. John:

The Minister still has not answered us, which other Minister or Assistant Minister attended?

Senator T.A. Le Sueur:

No other Minister or Assistant Minister attended. I attended together with my wife, the officer from the International Services Department and a representative Bureau de Normandie.

5.3 Deputy G.P. Southern:

What steps will be the Chief Minister take to ensure that his guarantee of no rise in G.S.T. (Goods and Services Tax) for 3 years will be maintained by his successor at Treasury and Resources and will he suggest when that 3 years is up, and will he further insist that his Minister for Treasury and Resources Minister the potential for progressive tax changes rather than regressive tax changes in the measures he proposes in 2010?

Senator T.A. Le Sueur:

The guarantee of G.S.T. remaining at 3 per cent for the first 3 years was not one given by me unilaterally. It was adopted by the States as part of the law when goods and services tax was introduced and that can only be changed by a decision of the States. As to the second part of the question, the Minister for Treasury and Resources as we know is leading a review of fiscal strategy. I am quite confident that that review is intended, because I have been part of the discussions, to continue to provide an overall progressive tax system for Jersey and I am sure when the outcome of the strategy and review is completed, if the Deputy has concerns about whether that is being delivered in practice, he will raise it at the time.

5.3.1 Deputy G.P. Southern:

Will the Chief Minister further support the words of his Treasury and Resources Minister when he replied in the House that he would consider putting advocates of progressive taxation on his fiscal review board?

Senator T.A. Le Sueur:

I have total confidence that the Minister for Treasury and Resources will appoint the most suitable people to do that review from a broad and wide ranging set of different views.

5.4 The Deputy of St. Mary:

Does the Chief Minister value the work of the Scrutiny Panels and if so, can he give us all an assurance that the Council of Ministers will abide by the guidelines agreed between them and the Chairmen's Committee in the beginning of October, namely that all Scrutiny Report findings and recommendations are formally responded to by Ministers within a specified timeframe? I think it is 6 weeks, it might be 8 weeks, but the key question is the commitment to the work of Scrutiny and will those responses be forthcoming?

Senator T.A. Le Sueur:

I did not think there was any doubt that I have said and I have committed to Ministers that any responses to Scrutiny Panels will follow the agreed procedures set out and agreed with the Chairmen's Committee. As to whether I value the work of Scrutiny Panels, I have an excellent relationship and I can certainly comment that I do value the work of my own Scrutiny Panel. The information I get in respect of others which comes second-hand is also very supportive and I believe that it is important that the work of Scrutiny Panels is understood and appreciated and equally the responses that Ministers make are timely and also followed through.

5.4.1 The Deputy of St. Mary:

Supplementary. I thank the Minister for that reply. Does the Minister agree that it would be helpful if the long awaited report on the La Collette and the construction of the incinerator that there were full replies to the recommendations and full consideration before any future determination of similar applications?

Senator T.A. Le Sueur:

That is a very broad ranging question. The Scrutiny Panel Report, I think, focused on one aspect of the matter and I think we are in danger of confusing different aspects, whether it be planning, financial or others. Any response from a Minister will reflect his response to that particular aspect of a complicated situation like that. I think, in general terms, I would accept the views of the Deputy of St. Mary, but I think it is such a broad question that it would be difficult to give an absolute commitment.

5.4.2 The Deputy of St. Mary:

With respect, the report is going to be focused entirely on planning processes and how they are worked out in practice so the relevance to a future determination of an exactly similar planning application is one to one and I just want the Chief Minister to confirm that Scrutiny will not be brushed aside in this matter.

Senator T.A. Le Sueur:

Scrutiny Panel Reports on planning matters, it would be a matter for the Minister for Planning and Environment in his response, but I believe the Minister for Planning and Environment will follow similar good practice and deal with it in a timely and complete manner.

5.5 Deputy S. Pitman:

I refer the Chief Minister to an email I sent to him last week in which I asked him, bearing in mind the comments by Edward Trevor last week on A.I.D.S. (Acquired Immune Deficiency Syndrome) and A.C.E.T. (Aids Care and Education Trust) and the fact that he has now resigned from the Association of Jersey Charities, does it feel that it is appropriate that he is still serving on Reg's Skips review and also the Rent Control Tribunal?

Senator T.A. Le Sueur:

I do not really believe it is appropriate for us to discuss the activities of a private individual in this House. He was appointed to various panels for particular skills that he has in those areas. Those

skills remain in place. I believe he will contribute valuably to those activities, irrespective of his personal views and I have no reason to change those appointments.

5.6 Deputy M.R. Higgins:

In a sense following on from Deputy Southern's question, does the Chief Minister believe that the comprehensive fiscal policy review board instigated by the Minister for Treasury and Resources will be fully inclusive and include Members of the Assembly who are not normally considered to be supporters of the Council of Ministers and if he does believe it will be fully inclusive, why?

Senator T.A. Le Sueur:

The fiscal review is not to be carried out simply by a board. It is to be carried out by every single member of the Island community. They all need to contribute to this if they are going to get a complete and balanced outcome to it. I would hope that those steering the discussions will come from a variety of views, but what is far more important is that individual members and individual members of the public express their views and ensure that a full and complete picture is presented so that Members of the States when they come to decide and agree that policy will have the full facts in front of them.

5.7 Deputy M. Tadier:

I hope to have had this information already supplied from the Minister for Treasury and Resources, but in the absence of that information, maybe the Chief Minister could assist. Would the Chief Minister advise the House whether any English will be present on the new bank notes which will be circulated? Moreover, will the amount, say £50, be written in English on the bank note?

Senator T.A. Le Sueur:

That would be a matter for the Minister for Treasury and Resources to respond to but, to the best of my knowledge, yes the English language will be shown on the bank notes as well.

5.7.1 Deputy M. Tadier:

A supplementary in that case, will Chief Minister as political head of the States give his say whether he thinks it is valid to have a moribund language on the notes and also another language which is not commonly used in Jersey on a daily basis taking priority and will he, therefore, confirm that in fact we are going to have 3 languages on the notes and whether in fact that is a sensible approach to take?

Senator T.A. Le Sueur:

Again, to the best of my knowledge there will be 3 languages on these notes and that, I think, is a very positive move. Certainly the response that I have had subsequent to the meeting of the British-Irish Council at which there was a discussion on minority languages, the response has been that Jersey's initiative in having 3 different languages on its notes is a very positive one which they welcome and encourage.

STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

The Deputy Bailiff:

Very well. We finish questions without notice to the Chief Minister. There are no personal statements. We come on to K. The Minister for Health and Social Services will make a statement regarding the implementation of the Williamson Plan. Minister.

6. The Minister for Health and Social Services will make a statement regarding the implementation of the Williamson Plan

6.1 Deputy A.E. Pryke of Trinity (The Minister for Health and Social Services):

I apologise first of all that it is a bit long, but I hope Members will bear with me. The Assembly will recall that Andrew Williamson's report in child protection services in Jersey, published in June 2008, made recommendations for change across a wide range of services for vulnerable children and young people and their families. Budget for the implementation of the Williamson Plan has now been agreed for 2010 to 2012. Now that the time for implementation of these long-awaited changes is at hand, I wish to ensure that external, oversight and support remains a feature of this process. We need strong, well-informed leadership to keep service improvements on track while at the same time ensuring that during this ambitious programme of change, existing services to protect and support children and families remain easily accessible and managers and staff are sufficiently free to fulfil their existing responsibilities. I am, therefore, very pleased to announce that Mr. Andrew Williamson has agreed to lead this important service improvement programme. He has the right skills and knowledge to oversee this process and will work closely with colleagues from across the services to ensure that programmes of change are well understood. I have carefully considered and taken on board both recommendations of the original Williamson Report and the comments of the recent Scrutiny Report into services for vulnerable children which I found both interesting and extremely helpful. I accept my responsibility as Minister with a lead responsibility for services for vulnerable children. However, I am very pleased to report that the Ministers for Home Affairs and Education, Sport and Culture who, with me, make up the corporate parent, will in a very re-invigorated and refocused form share with me the task of the strategic leadership and the governance of the Island's services for vulnerable children including those within the Williamson Plan. The corporate parent is an agreement that the single most important elements of the overall process will be the development of the first Children's Plan for Jersey. This will ensure that all services share the same goals and work co-operatively to provide seamless services for vulnerable children and young people. It will form the blueprint for children's services into the future and the means to judge how effective they are. Mr. Williamson will lead the development of this plan, consulting widely and working with key agencies, both States departments and external organisations. I intend to present the Children's Plan to the States Assembly for its approval during the latter part of 2010. I have agreed that Mr. Williamson will give a presentation for States Members and the detail of the implementation programme in early February. In the meantime I am pleased to briefly summarise the key developments for 2010 which will be put in place. Arrangements for external inspection of Children's Services by the social work inspection agency, further independent oversight of services through the establishment of an independent reviewing officer service and the introduction of sustainable funding to support the independently chaired Jersey Child Protection Committee, the establishment of an independent court advisory service to provide a welfare service to the court in private law cases and an independent guiding service for children involved in care proceedings. These developments will help children who receive services, particularly those who are in care, to have access to independent professionals who can help them to represent their views. The need for further initiatives to give a voice to children in a form of an independent advocacy service will be a priority area to be reviewed by Mr. Williamson. I share the view with Scrutiny Sub-panel that this is an important issue deserving careful analysis. In terms of addressing gaps in services identified in the Williamson Report and the Scrutiny Report, there will be substantial investment in the following, a range of psychological assessments and therapeutic services for children and young people, improved social work support services available within schools, improved social work provision for children who have been subject to trauma such as abuse or family breakdown, development of specialist health services for vulnerable children in the form of a medical adviser for looked-after children and to advise the fostering and adoption panels and a liaison health visitor specialising in child protection, enhanced financial support for voluntary organisations which include Millie's Contact Centre, the Jersey Mediation Centre and Brighter Futures at the Bridge. Additionally, a review will take place of the range of family support and parenting services which currently exist. This will aim to ensure the sustainability of good quality service which provide accessible, focussed support to the most vulnerable families in our community. Current residential provisions for looked after children will be improved. The

refurbishment of the Brig-y-Don building to create an environment suitable for the care of vulnerable young people in the 21st century. I am delighted this will enable Health and Social Services to continue the Brig-y-Don tradition of partnership with the trust and providing the high standards of child care in these premises. Future development of residential services will mean that in the future the needs of sibling groups and the most challenging children will be met in a small therapeutic-based unit designed around their specific needs. To help facilitate these changes and to ensure that wherever possible prevention or reception of care is a chosen course, a small intensive support team will be established to provide prompt, targeted response on a 7 day a week daytime and evening basis to meet the needs of young people in difficulty in the community. As can be seen, this long awaited investment has the potential to substantially modernise and improve Jersey's services for children and support and encourage managers and staff who are involved in this challenging area of work. The improvements and the impact go far beyond the boundaries of Health and Social Services and include developments which will have a positive impact upon voluntary agencies, multi-agency organisations such as the Childcare Protection Committee and many States departments. The Williamson Report made it clear it is only by working together across organisational boundaries that we can create the network of services and support necessary to safeguard the most vulnerable children and families in our community. I look forward to reporting progress on the implementation of the Williamson Plan to the House during the course of 2010 and, in particular, to be presenting the Children's Plan to the Assembly so that all organisations can be helped to play a clear and well-defined role in improving the lives of children in Jersey who require support and protection.

6.1.1 Deputy G.P. Southern:

I thank the Minister for her commitment even at this late stage in the planning for next year's services. Will she, however, assure the House that she will bring a full breakdown of what has been decided in this financial statement to the House as soon as possible and her financial support for Brighter Futures in particular, does it extend to agreeing the sum that has been suggested by the Scrutiny Report of the full funding of £150,000 per year? Will she support a 3-year package to ensure that people are not spending most of their time raising funds and they are delivering services and thirdly, will she state how much of the £2.8 million here is permanent or how much of it is a one-off payment that we will not see again?

The Deputy of Trinity:

There are many facets to that question. I will try and see if I can answer most of them. Regarding funding for Brighter Futures, it is there at a sum of £80,000 and that was agreed with Brighter Futures at the Bridge themselves and that is safeguarded, as I said, and with the other areas like Millie's Centre too. The whole point of this Children's Plan is to look at these areas and making sure that where we go into the future all the services that we provide, not only with Health and Social Services, but across all departments as well as the charitable and third sector, are well funded not only for one year, but in the ongoing process. That is the main commitment and the main source and the importance of a Children's Plan which will come back to the States for full discussion and debate.

6.1.2 Deputy G.P. Southern:

If I may, a supplementary. Will the Minister agree to provide the House with a full breakdown of who is being paid what and how this £2.8 million is allocated?

The Deputy of Trinity:

I think that was one of the most important things regarding contracting Andrew Williamson to this job. It is most important that this money, which was approved by this House in the business plan, is well used and used to its fullness and the breakdown will be there.

6.1.3 Deputy J.M. Maçon:

Given the job opportunities that this will create, what communication has been had between the Minister's department and the Education Department to inform current students of the career opportunities, the skills and qualifications needed so that we can grow our own and if none, can the Minister give an undertaking that such communications will happen?

The Deputy of Trinity:

I am very much a stalwart of grow-your-own as we begin to grow our own nurses. Most of the new positions perhaps will be in social work and so they will need to be qualified, but I take the Deputy's point and it is something that I will discuss with the Minister for Education, Sport and Culture because grow-your-own is a way forward.

6.1.4 Deputy D.J. De Sousa:

It is good to know that the refurbishment of Brig-y-Don is on its way. In Williamson's original report, he did say that this was a home of excellence for young children. They were the very young. Is the Minister going to endeavour to carry on that tradition at Brig-y-Don because there does seem to be a lacking for the very, very young?

The Deputy of Trinity:

I am very pleased that we have been able to come to agreement with Brig-y-Don and a lot of people have worked hard over finding a solution to a way forward and the money has been invested in doing it up. The whole idea of that Children's Plan is to look because there are the 2 other children's homes - Le Preference and Heathfield - which will need to have smaller units. I cannot give the Deputy the guarantee that it will only be younger children at this point, but I understand what she is concerned about and I will take that on board.

6.1.5 The Deputy of St. Martin:

I too welcome the comments made in the statement, but could I ask the Minister, one of the concerns expressed by Williamson was the effectiveness of the former corporate parent and also Williamson did recommend that there should be a single Minister, can the Minister advise or inform Members what her thoughts are about either having a corporate parent or moving forward to having a single Minister?

The Deputy of Trinity:

The 3 Ministers who make up the corporate parent have been very active and very busy over the last weeks because we all recognise that we do have a responsibility as a corporate parent, and I have been given the task of being the Minister in charge of or leading the corporate parent and I take that responsibility on my shoulders because it is important. The corporate parent will move forward. As I said, we have been re-invigorated and refocused to make sure that the Children's Plan, which will come back to the States for full debate, is right for this Island and it is an exciting future that Health and Social Services and other children's services across other departments, and the community have to make sure that we get it right for the future. Also very importantly that we have got it fully funded and that is one big, big bonus and it is a really exciting time.

The Deputy of St. Martin:

I did ask about the move maybe to a single Minister?

The Deputy of Trinity:

You did indeed. The Williamson Report did identify that it should be one Minister, but as we know we have got a Council of Ministers which are 10 Ministers and we cannot go over the Troy law so that is why Deputy Martin, who is interviewing for a board of governors at Greenfield - which again is an important role - has responsibility for that. It is something that we need to look at in the future, but that is way into the future. I think we have been given the money, I want to take

Children's Services into the 21st century and that is my main step for next year. The issue of one Minister may come in the future.

6.1.6 Deputy J.A. Hilton of St. Helier:

In a previous answer to a question it was stated that £3.3 million has been the finance for the Williamson recommendations. Can the Minister confirm that all the funding will be provided to implement Williamson in its entirety and if not, what recommendations will be omitted? Thank you.

The Deputy of Trinity:

The first year is £2.8 million and an extra £200,000 the following year or £300,000, or the other way round, I cannot quite remember, to 2012. The most important thing is that we have got the £2.8 million for next year. We need to get going, we need to get it up and running and again, it is the Children's Plan that we need to put in place not only for 2011, 2012, but for the future and if we do need any extra monies in 2012 and beyond, the Children's Plan and the future will identify that; but it is vital that we get that Children's Plan up and running and brought back to the States and make sure that we get everything in place.

6.1.7 Deputy J.A. Hilton:

I am not absolutely sure that that was the answer I was looking for. **[Laughter]** My understanding was Williamson had been costed. I am just trying to get to know do we, or does the Minister, have the funds to implement Williamson or is it a case that you think you will have to come back to the House for additional funding to implement the entire plan?

The Deputy of Trinity:

The £2.8 million and the extra £200,000 and £300,000 for the years 2011 and 2012 have been approved by this Assembly and so it is in place. I have got it. I think the original Williamson included Lord Laming and that was an extra ... I cannot remember how much that was, but that is in the future and if we need to have it, then that will be discussed. It is a case of taking one step at a time. I have got the £2.8 million for next year and an extra £200,000 and £300,000 for 2011 on top of the £2.8 million and we are in the wonderful position of having the money, having the Plan and now we just need to get on with it.

6.1.8 Deputy A.E. Jeune:

Does the Minister consider it essential to invite Andrew Williamson to the Island to implement the recommendations of his report and is this due to the department not having staff with the necessary skills and is this on a fixed term contract and if so, of what period?

The Deputy of Trinity:

I think it is absolutely right that Andrew Williamson, who was the author of this Plan, who has been in every area of child care across every department, into every charitable organisation that deals with children... he knows what is needed. To be able to get this up and running quickly which is - I would hope that States Members would agree - is vital and is important. He brought his report out in 2008 and here we are beginning 2010. It has taken too long for various reasons and it is right that he will do it. He is a transitional director, he is contracted on a short term basis and one of his views will be to put in place a Director of Community and Social Services to continue this work. Having Andrew Williamson do that role enables the service to carry on as per usual, meanwhile changing it so that the children, all children in our care, are fully protected.

Deputy A.E. Jeune of St. Brelade:

A supplementary please?

The Deputy Bailiff:

The 10 minutes has expired, I am afraid, Deputy. That brings Questions to an end.

PUBLIC BUSINESS

7. Budget Statement 2010 (P.179/2009)

The Deputy Bailiff:

The Assembly now comes to Public Business. The first item is P.179, the Budget Statement in accordance with Article 17 of the Public Finances (Jersey) Law 2005. The debate of the 2010 budget will commence with consideration of the budget proposition and associated draft budget statement for 2010. The Minister for Treasury and Resources will propose the proposition. Minister, Senator Ozouf.

7.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I rise with some trepidation as I present my first budget to the Assembly. The past year has seen considerable turmoil and uncertainty, perhaps more than we have seen for a generation. Significant sums have been spent on bank bailouts, central banks and governments around the world have taken unprecedented action to inject billions in their economies. Most would agree that if the causes of the global recession had not been tackled head-on, there could have been catastrophic consequences. Fortunately the action taken has had an effect and by the third quarter of this year, the Japanese, U.S. (United States) and most of the Eurozone economies had returned to growth. However, as our Fiscal Policy Panel has said, while the outcome is generally optimistic, there are plenty of reasons for caution. The International Monetary Fund report said the recovery is uneven and not yet even self-sustaining. The international consensus appears to be that the recovery will be sluggish. Of particular note for us in Jersey, the U.K. has remained in recession and the Bank of England's decision to increase further their quantitative easing programme shows that the U.K. is still facing considerable difficulties. History tells us that the Jersey economic activity tends to lag that of the U.K. and other global economies. The Economic Adviser's central estimate is that the Jersey economy this year is likely to contract by up to 5 per cent. Fifty per cent of our banks expect their profits to fall primarily as a result of exceptionally low interest rates which are expected to remain low for some time yet. Business visitors are down by 18 per cent and despite the Minister for Economic Development's decisive action to increase tourism marketing funds, leisure arrivals still dropped by between 5 per cent and 6 per cent. While this is a better performance than many destinations in continental Europe, it has of course had an impact. We have seen job losses in hotels, retail and finance. Total employment is down, unemployment is up and vacancies are at a 10-year low. Retail sales also have dropped. We are now in the fortunate position of having better statistics and the new Business Tendency survey indicates, on average, that the whole of business reports falling activity. Moreover, they are cutting jobs. Looking ahead to 2010, we predict Jersey's economic output may fall by a further 2 per cent and without action over the next months employment is expected to fall further. The survey also said that in the construction sector, 34 per cent of firms say that activity fell in the 3 months to September and nearly a third of firms claim that they are now working below capacity. All commentators say that small and medium-sized businesses have been affected by the slowdown as a result of the global economy. But, like all responsible governments, we have responded and allocated £44 million from the Stabilisation Fund to be spent on a discretionary fiscal stimulus package. This programme, centrally controlled and monitored by the Treasury, is providing skills, training and support for both businesses and individuals through the downturn. Almost £7 million of projects are under way and I am particularly pleased to report that with the good work of the Minister for Education, Sport and Culture more than 100 young people are now benefiting from extra places at Highlands. Advance to Work, the new youth training scheme and the additional careers resource is supporting adults finding work. The re-introduced States apprenticeship scheme has been particularly well received and, in all, over 250 places for skills and work-based training has been provided as a direct result of

this Council of Ministers and the Assembly's support for discretionary fiscal stimulus. If we had not put this stimulus in place I have no doubt that our unemployment figures would have been higher and I hope all Members agree that we should continue to provide opportunities and help for any individual who is unfortunate to be out of work through no fault of their own. One of the sectors of the economy that employs thousands of Islanders and has been most affected by the downturn is the construction sector. Private sector contracts have dried-up and that has put local jobs at risk. While States departments themselves have plans in 2010 for more than £370 million of new civil infrastructure and maintenance construction projects, such is the scale of the downturn that more was needed. The fiscal stimulus package will provide an additional £20 million for local jobs under strict rules. More than 45 projects will be put out to tender on the new States e-portal system. Indeed, we have taken the opportunity of revamping the whole way that the States tenders projects. Not only will the fiscal stimulus money help keep people in work, it will also benefit our community. One example, which I hope will happen and will make a lasting difference, is the much needed refurbishment of the elderly healthcare unit at Rosewood House, St. Saviour's Hospital - which, among other things, cares for Alzheimer's patients - and would improve the quality of life and care for residents and staff who work in challenging conditions. There are many examples of projects in the fiscal stimulus measures which will transform the lives of Islanders. I will carefully monitor the level of construction demands with the Minister for T.T.S. and the Minister for Housing and also consider bringing forward other capital projects if that is deemed necessary. The Waterfront Enterprise Board is a good example. I will be encouraging W.E.B. (Waterfront Enterprise Board) to bring forward one and possibly 2 residential schemes during 2010 which could add valuable residential stock to the market and keep local people employed. Jersey has built a strong reputation as one of the world's leading offshore financial centres. Our finance industry, by providing well-paid jobs and substantial tax revenues, will be the main source of economic prosperity now and into the future. During the economic crisis this industry has, of course, been subject to close scrutiny. The International Monetary Fund assessed Jersey as complying, or largely complying, with 44 out of 49 of the Financial Action Task Force recommendations. Only Belgium, the U.S. and Singapore have to date achieved more than 40; no one has achieved more than 44. I think this is a phenomenal achievement for a small island jurisdiction and I hope that all Members share a sense of pride in the tremendous work of our industry and our regulator. **[Approbation]** More than that, the Foot review just showed how important Jersey and the other Crown Dependencies are to the U.K. economy. Jersey alone contributed more than 200 billion U.S. dollars of liquidity into the U.K. markets in just one quarter of this year. That said, Michael Foot also said that there was always more to be done. We will be reviewing all of the recommendations to see what action is required to implement these. However, we can take pride in these independent endorsements and ensure that the message is sent loud and clear that Jersey will remain open for high quality reputable business. Our relationship with the U.K. is strong and they are likely to be our primary partner and financial gateway for a long time to come but there is a shift of global economic power from the West to the East and our business flows need to follow. The Asia Pacific region has weathered the financial crisis better than the West. With Jersey's strong reputation I believe that there are tremendous opportunities in China, India and in the Middle East despite the recent difficulties there. Of particular note, our Foundations Law has generated there much interest. But business levels have slowed and it is vital that action is taken to mitigate the effects of the slowdown and capture opportunities. We need to be innovative and continue to develop new products and services. I know the Minister for Economic Development and the Chief Minister are determined to seize these opportunities but to do so they cannot do without investment. I believe that it is important that we support financial services to sustain our position alongside the other fiscal stimulus measures. I can say that I have provisionally allocated £2.5 million from the fiscal stimulus in 2010 to further enhance Jersey's international position by opening more representative offices in Asia Pacific, speeding up product development and providing more support for Jersey Finance, a body who has been, I think, outstandingly effective in marketing the Island's financial services in the last very challenging 12

months. We are in the enviable position of funding all of these fiscal stimulus measures from cash put aside from the Stabilisation Fund, leaving our Strategic Reserve completely intact. Unlike many other places, we have not had to borrow a penny to inject the necessary funds into our economy. However, we cannot afford to be complacent. The world-wide recession will lead to a significant reduction in States revenues. The latest Treasury forecast is that there should be a £60 million deficit in 2010 and a £68 million deficit in 2011. In accordance with the advice of the Fiscal Policy Panel, and as agreed by this Assembly earlier this year, these deficits can and will be funded by the existing balances on the Consolidated Fund and up to £112 million from the Stabilisation Fund. While there are a number of significant assumptions and there is uncertainty, if no further action is taken I am also predicting a longer term recurring deficit of £50 million in 2012 and beyond. I cannot allow this to happen. I believe that we must have a strategy to return to balanced budgets as soon as possible. This means in place by this time next year in the 2011 budget. To deal with this I am proposing 3 streams of work. Firstly, the best way to deal with the deficit is to grow yourself out of it. We need to maximise economic growth and maximise the income from financial services, locally and non-locally owned businesses, and I will examine all of the options for doing so. Secondly, I am going to start a comprehensive spending review. Thirdly, a review of fiscal strategy ... I think the existing annual Business Plan process is not working. The Comptroller and Auditor General has said, year on year, it continually leads to spending above agreed limits. Ideally, in my view, the States should agree 3-year spending limits at the start of each new Council of Ministers and then do our best to stick to them. We must be, however, realistic about the need for contingencies. Unforeseen items will always occur and, in my view, we should budget ahead an appropriate amount each year for them. Departments must be encouraged to plan further ahead but in return Ministers should be allowed greater flexibility to reallocate funds between years over a 3-year period, in other words, an incentive to save. In future, Ministers should keep their under-spends after they have agreed their 3-year budget. The first step of the comprehensive spending review will be for us to set an overall limit on States spending early next year. We will then review the major spending departments: first, Health and Social Services; secondly, Education, Sport and Culture; thirdly Social Security and, fourthly, Home Affairs. The reviews will take the first 9 months of next year and ask basic questions about how services are delivered. Are departments providing value for money and who should pay? What are the public's expectations of services that are provided? Are services being delivered efficiently? Should the States continue to deliver them and if not who should deliver them? We have learned a great deal from previous spending reviews and from other places and a team is being appointed within the Treasury to carry out the F.S.R. (Fiscal Strategy Review). It is my intention also to support this process with a panel of independent commissioners whose specific remit will be to examine and challenge the finding of the reviews and present these reports to the Assembly. In addition, specific reviews will be carried out on pay conditions and pensions of all public employees and a review on the appropriate level of expenditure that we need to budget for court and case costs which has in recent years spiralled. I intend to work closely with the Corporate Affairs Scrutiny Panel on all of these reviews and I hope that all Scrutiny Panels will be involved in reviews of their own departments and will be prepared to play a significant role as a critical friend. The C.S.R. (Comprehensive Spending Review) will be a significant investment of time, energy and resources but it is essential to increase the efficiency of the public sector, raise public confidence and ensure that we have an informed debate about the level of services that the public is willing to pay for. While C.S.R. outcomes may be uncomfortable and there will be, no doubt, difficult decisions to take, I also understand Members' perfectly legitimate aspirations to improve services. Each one of us of this Assembly went into politics to serve our community and to improve the lives of Islanders. There are calls, often fair and reasonable ones, for increased investment in areas such as education, health and in benefits. But to finance these improvements we have to make choices. If the spending review is to be successful and learn the lessons of the past it must direct existing resources to where they are most needed as well as identifying savings to meet the structural deficit. As States Members we share a collective responsibility for spending decisions. Spending decisions are

made in this place and I hope that we will all show discipline. I think it could be said that that has been lacking in the past and which has been called for by Islanders with increasing volume. To support these objectives, the Treasury will be restructured to put in place the right resources and expertise to strengthen financial management across the States. I am determined to introduce a culture of financial awareness and responsibility throughout the organisation. Improving financial management alone, however, is unlikely to deal with all of the unprecedented challenges we face on spending demands and for that reason I turn to the fiscal strategy review. Three years ago we made significant changes to our tax system to maintain the high quality public services and the way of life that we had become accustomed to. The early decision to move to Zero/Ten, introduce G.S.T., 20 means 20 and I.T.I.S. (Income Tax Instalment Scheme), may have been unpopular but I believe that it was undoubtedly right. These policies provided certainty, encouraged investment and supported high levels of economic growth with all the benefits that the strong position of Jersey has meant to our community. However, responsible governments keep their fiscal strategies under review, not only to ensure that they meet changing international standards but they also ensure that they remain appropriate and competitive. The global financial crisis is prompting most countries to review their tax structures. I have to be clear to Members that we need to do the fiscal strategy review, not only to meet the demands of the structural deficit but also to meet the plans for the necessary investment in the costs of the aging population, infrastructure renewal and growing health demands. The F.S.R. will review all taxes and charges, including personal income tax, G.S.T. duties and, importantly, with my colleague the Minister for Social Security, the Social Security contributory system. Any options for raising more revenues that come out of these reviews will be assessed for efficiency, competitiveness, who pays, fairness, the cost of collection and revenue stability. Islanders will be consulted on all of the options and their responses help formulate any proposals for change. While I am not going to rule anything in or out, I believe that our success has been based on a system of low taxation and high economic growth. We must appreciate that in order to generate as much revenue as possible from export services, particularly financial services; we have to remain internationally competitive and to protect jobs. A key part of the F.S.R. is a review of business taxation. This was always intended to be part of the review but clearly recent events have increased focus in this area. I am conscious that recent press speculation has created some uncertainty in the finance industry, and it is important that I respond to this. First, I want to clarify the following: Zero/Ten has not been found to be non-compliant with the E.U. code of conduct of business taxation; secondly, I understand the fundamental importance of tax neutrality to our financial service industry and the requirement that this be maintained; thirdly, we have not agreed to move to a flat corporate rate of tax of 10 per cent. However, we do understand that certain E.U. Member States have questioned whether Zero/Ten across the Crown Dependencies could be interpreted as being outside the spirit of the code. The international tax world is changing. Jersey is already committed to the tax norms of non-discrimination and that is why we originally introduced Zero/Ten. However, we must understand and be alert to the concerns that have been raised. The business tax review, which is an important part of F.S.R., will consider all options. I repeat, nothing is ruled in and nothing is ruled out. I will consult widely on any proposed changes or alternatives to Zero/Ten. I recognise the importance of providing stability to the financial services industry and for that reason I want to say the following: we have already made some changes to our tax law to provide certainty for funds, notably the tax exemption for collective investment funds which is in accordance with international tax law norms. I propose extending that further to securitisation vehicles, again reflecting the treatment of such entities in other major jurisdictions. I will look for other precedents from other established international and European tax codes not only to ensure compliance with international standards but also, importantly, to ensure a level playing field for Jersey businesses, trusts and other structures. I hope that I have clarified for Members the important relationship between the comprehensive spending review, fiscal strategy review and the review of business tax. The public, as I have said, will be asked for their views. The consultation will be finalised in advance of next year's budget debate and I welcome the continued constructive and often challenging scrutiny from the Corporate

Affairs Scrutiny Panel on taxation. I now turn to the specific proposals in relation to the budget. My aim this year is to minimise tax increases during the downturn while paving the way to return to balanced budgets. I am not proposing any increases in direct taxation for 2010. Indeed, many people on lower incomes will benefit next year from the 5 per cent increases in income tax exemption thresholds agreed last year. Earlier this year I made a commitment to review 20 means 20 based on the first 3 years of a 5-year scheme. After careful consideration I am clear that this process should be maintained. 20 means 20 delivers the essential progressive element of the fiscal strategy changes that my predecessor introduced. The fourth year of the withdrawal of allowances will only affect those on relatively high incomes and the significant increases in tax exemption thresholds over the last 3 years have protected people with low to middle incomes from all or most of the effect of the effects of 20 means 20. I have also given careful consideration to the reports of the Corporate Affairs Scrutiny Panel in relation to deemed rent and that is something that I will be progressing in detail in the F.S.R. I am, however, now proposing to remove the anomaly whereby tax breaks that have been available to U.K. superannuation funds, commonly known as Article 115. I have listened to the views of certain sections of the business community but have yet to hear any convincing reasons why the Island should give tax breaks to some property investors while other property investors are treated differently. I am proposing a number of minor changes to the Income Tax Law. First, and very timely with the Copenhagen summit this week, landlords who invest in insulation and energy efficiency improvements will benefit from concessions on that investment. This is designed to improve energy efficiency and insulation for tenants and will also help lower, I hope, the Island's carbon footprint. Secondly, I am introducing further beneficial changes to occupational and private pensions in tax legislation. Thirdly, the penalty for late filing of income tax return will increase by £50 to £250, which is the first increase since it was introduced 5 years ago. Fourthly, there are amendments to the existing Zero/Ten provisions and changes to align the powers on penalties and offences in the income tax and G.S.T. laws and regulations. Looking ahead over the next 3 years, there are further potential changes on share options and share awards. Finally, I am pleased to say that the Comptroller has told me that he will be able to offer electronic tax returns from 2012. I have been aware that there has been some debate about 1(1)(k)s. In the last 20 years more than 65 1(1)(k)s have taken up residency in the Island. For the year of assessment 2007 1(1)(k)s paid £9 million in income tax. That is £9 million that would have had to be raised to provide services by other means. Also, despite a widespread misconception, 1(1)(k)s have no special rates for Jersey-sourced income and pay the same rates as other locally taxed residents on their locally sourced income. The vast majority of 1(1)(k)s are responsible individuals who make a major contribution to tax revenues and play a valuable role in the community. Indeed, all 1(1)(k)s who have arrived in Jersey since 2005 have been subject to a statutory regime with a minimum tax liability of £100,000 per annum. While I as Minister for Treasury and Resources certainly do not know the individual details, I am advised that many 1(1)(k)s who arrived in the Island prior to 2005 pay considerably more than the £100,000 current minimum. However, some of the early 1(1)(k)s do not and I want their current arrangements reviewed. I believe that it is only reasonable for those who made a commitment to pay an agreed amount keep to it, and I plan to appoint an individual with appropriate knowledge and international expertise to conduct a review and any changes to the proposed 1(1)(k) regime will be announced in advance of the budget next year. In the Business Plan we approved extra funds for tax investigations and I am pleased to say that there are now advanced plans to set up a joint tax and benefit fraud office with the Social Security Department. I have to say that I believe the majority of Islanders are honest but I want to give fair warning to any taxpayer considering submitting anything other than an honest tax return that the Comptroller is getting tough with tax evaders. He now has the resources also to do so. I now turn to the increases to impôts duty. There was extra spending for Health agreed as an amendment to the 2010 Business Plan and I explained at the time that I would need to put forward to finance this through additional duties. It has become also increasingly evident to me that there are concerns about the health effects of alcohol consumption. I have visited the Drug and Alcohol Service at Stopford Road in order to understand these concerns. I have to say that I have been

persuaded by what I have seen and I share the concerns already expressed by the Minister for Health and Social Services and her advisers. I have also been influenced by the Minister for Home Affairs's concerns over the many causal links between alcohol consumption and criminal or behavioural problems and for this reason I am proposing to fund the extra spending agreed in the Business Plan debate for Health by raising alcohol and tobacco duties from 1st January 2010. I recognise that raising duty will not, on its own, influence the behaviours of alcohol consumption and I will be supporting the Minister for Health and Social Services who, over the next few months, in conjunction with her colleagues the Ministers for Home Affairs and Economic Development, will consider proposals to further raise alcohol and tobacco duties, possibly in line with the levels that are found in the U.K. over a 3 or 4-year process. The impôts duties proposals for alcohol and tobacco in the budget are equivalent to increases of the following: 58 pence for a litre of spirits, and that is 3 per cent on an average retail price of a bottle of spirits; 7 pence on a bottle of wine, that is 2 per cent on an average bottle of wine; 2 pence per pint of beer, and if that was to be passed on that would relate to a 1 per cent increase in the retail price. In terms of cigarettes, the 30 pence would add, if passed on, 5.5 per cent to the retail price of a packet of 20 cigarettes. Members will, of course, understand, and we will come to these amendments later, that I was disappointed with the amendment by Deputy Power. He will be aware of the challenging financial position the Island faces. He will also, I hope, be aware of the persuasive arguments that increased duties, along with other measures, are required to address the widely recognised health concerns. He proposes an amendment that will remove all of the duty increases and increase the deficit by £4 million in 2010 and every year subsequently. As Members will recall, in the past few years there have been a number of representations concerning the current duty-free status of marine fuel. I have discussed with the Minister for Economic Development the contribution that the marine sector makes to the Island; I believe that it is considerable. The outcome of our discussions is to require an increased financial return from the Harbours Department of £200,000 in 2010. That is equivalent to a third of the duty currently relieved on marine fuel duty and I regard this as a first step in our discussions. This means that we will collect more revenue while retaining the appeal of the Island to visiting mariners who otherwise might simply go elsewhere. In last year's Business Plan we agreed to consult on ways to fund environmental initiatives. The Minister for Planning and Environment has been quite right to champion these causes and consultation has been carried out and I am including proposals in the budget for a low level vehicle emissions duty on the purchase of a car as part of this budget. I am proposing that this duty, however, should not be introduced until September 2010, by which time I hope that we will be well on the way to economic recovery. In addition to the inflation increase of 1 penny on fuel, I am proposing an extra 2 pence which, together with the introduction of V.E.D. (Vehicle Emissions Duty), will provide the £2 million for the environmental initiatives. I want to be clear, however, to Members that I do not regard these proposals as purely environmental taxes, they are taxes designed to help fund environmental initiatives and working with the Minister for Planning and Environment and his Assistant I will continue to support the initiative to develop other green taxes and other ways to influence the choices we make for the benefit of the environment. There will be a green strand to the fiscal strategy review. The amendment which we will consider from Senator Le Main suggests an alternative way to raise funds for environmental spend and I have amended there proposals to provide States Members with a choice between an annual or one-off emissions tax, based on CO₂. In respect of funding the environment spend, I am also grateful to the Jersey Electricity Company; they have contributed £0.5 million this year to enable more energy initiatives to be progressed. I have spoken to a couple of people who have benefited from these initiatives and they have made a real difference to their lives, especially for some pensioner households in the Island. I will be looking to other energy companies to consider how they can also help in this area and if they are unwilling to co-operate I will consider a compulsory levy so that they also help Islanders with energy efficiency improvements. I am not proposing to increase stamp duty rates next year in recognition of the still fragile state of the housing market. I am, however, proposing that the long-awaited land transaction tax - I know something that the Deputy of St. Martin feels very strongly about - will commence on

1st January 2010. While the concessions for first-time buyers will be the same as freehold purchasers, this will finally bring equity to all property transactions by capturing those share transfer property transactions that previously have been free from duty. Before I conclude my tax and duty proposals for 2010 I should also confirm that the planned complete review of stamp duty, while being put on hold because of the economic downturn, will also be part and parcel of the fiscal strategy review. So, we are facing challenges. Our public finances are, however, still some of the strongest of any nation in the world. Unlike other places, because of the reasons and decisions that this Assembly has considered in the past, we have saved in the upturn. This has enabled us to support Islanders in the current climate from the Stabilisation Fund. This action is insulating our community from some of the worst effects of the downturn and we are maintaining and enhancing services. I believe that this Council of Ministers, with the support of this Assembly, has achieved a great deal. In the coming year we will invest £70 million for essential service improvements financed by savings; £3.6 million to fund improvements in children's services; more than £3 million to fund growth in Health and Social Services; £6 million to maintain the real value of social benefits; £0.5 million to continue the funding of building a safer society and £400,000 for improvements in residential care, quite apart from the significant investments in business and enterprise which will ensure the Island is uniquely placed to take advantage of the upturn when it inevitably will come. We are also now building stronger working relationships with my counterparts in Guernsey and the Isle of Man and together I am confident that we will maximise the economic potential of all of our islands. As I conclude, I must thank the Treasurer of the States, the Comptroller of Income Tax, the Economic Adviser, the Agent of the Impôts and the Head of Statistics for all of their support and who have given me help and assistance in preparing and drafting these budget proposals. I also want to thank my Assistant Ministers, Deputy Noel and Deputy Le Fondré for their assistance, also to the Council of Ministers for their challenging vigorous discussion but unstinting support over the last few months. But I would like to pay particular thanks to the Chief Minister for his support in my first year as Minister for Treasury and Resources and with the baton of long-term thinking, consensus and fairness that he has passed to me. I hope that all Members will agree that this budget looks to the future. It marries together the short-term fiscal issues mitigating the impact of the downturn with long-term strategic thinking. This can only be achieved by rigorously pursuing the fundamental elements that I have outlined today: a radical overhaul on the way in which we spend through the Comprehensive Spending Review; a detailed fiscal strategy review to put our economy in a competitive position and to put our public finances on a continued sound footing; a plan to ensure the first rate economic and financial management that is essential to navigate the States through the challenges ahead are put in place; a fiscal stimulus programme that will mitigate against the impact of the global downturn and a budget for 2010 that lays the foundations for a sustainable, fair and prosperous Island future. I am proud to commend this budget to the Assembly. **[Approbation]**

The Deputy Bailiff:

Thank you. The Budget Statement having been made, I will ask the Greffier to read formally the proposition which is associated with it.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion (a) to approve the estimate of total taxation revenue in 2010 of £518.680 million, as set out in summary table A on page 40 of the Budget Statement, with the sum to be raised through existing taxation measures, the proposed changes to income tax and impôts duty and the introduction of a vehicle emissions duty and a land transactions tax for 2010, as set out in the Budget Statement; (b) to agree that the sum of £37 million should be transferred to the Consolidated Fund from the Stabilisation Fund in 2010.

The Deputy Bailiff:

The proposition has been made by the Minister for Treasury and Resources **[Seconded]** The Assembly will now move directly to consideration of amendments.

7.2 Budget Statement 2010 (P.179/2009): second amendment (P.179/2009 Amd.(2))

The Deputy Bailiff:

Following the order of taxation set out in the summary table A on page 40, the first amendment is in the name of Deputy Power and I will ask the Greffier to read the Amendment.

The Deputy Greffier of the States:

On page 2, paragraph (a) after the words: "As set out in the Budget Statement" insert the words: "except that the estimate of total taxation revenue in 2010 shall be decreased by £4.25 million by removing all proposed increases in impôts duty on alcohol, tobacco and fuel for 2010, set out in figure 6.1 on page 26."

Deputy S. Power of St. Brelade:

The first thing I would like to say is that I am not going to be able to do this in 9 minutes. I am really at the mercy of the Assembly as to what they want me to do. I estimate that my amendment will take probably between 18 and 25 minutes so I am not quite sure ...

LUNCHEON ADJOURNMENT PROPOSED

Senator P.F. Routier:

I propose the Adjournment.

Deputy S. Power:

I just feel it would be unfair on my amendment to try and do it in 8 minutes.

The Deputy Bailiff:

Members in favour of adjourning? Very well, the States will stand adjourned until 2.15 p.m.

LUNCHEON ADJOURNMENT

PUBLIC BUSINESS - resumption

The Deputy Bailiff:

Very well, we now turn to the amendment in the name of Deputy Power to the Budget Statement. I call on Deputy Power to speak.

7.2.1 Deputy S. Power:

I am assuming we are quorate. I am a reluctant warrior when it comes to bringing propositions and amendments to this Assembly because I am firmly of the view that we spend too much time talking about stuff that I think should not come to the attention of this Assembly, indeed, some of it is quite frivolous and we deal in minutiae. However, I am moved today to make a stand and to attempt to persuade colleagues to vote against the proposals on impôts. I have decided to bring this amendment as a result of the many complaints I have received before the budget came in; indeed, these complaints go back 4 years to the end of 2005, beginning of 2006. It is the cumulative reaction, the cumulative public reaction to the way we do business in this Chamber. Today's budget and the arbitrary increases that we are proposing to stick on middle Jersey have offended a lot of people. I want to say at the outset, before I get into some detail here, that it is the scale of the increases that has upset me and middle Jersey. Before I go on any further, can I just say to Members this is not a debate about alcohol *per se* - alcohol and health - it is not a debate about the rights and wrongs of tobacco and smokers and it is certainly not a debate on the size or the use of

the internal combustion engines, car sizes, Chelsea tractors. It is not about any of those things, it is the way the Treasury Department have approached this subject and have proposed whacking these great increases on to middle Jersey and that is why I am reacting the way I am. I am sure Senator Perchard is going to count the number of times I refer to middle Jersey as he pulled me up this morning on my radio interview, but I am going to use the phrase "middle Jersey". This is as much about the cost of living increases that we are proposing as anything else today. It is about your standard Jersey family, if there is such a thing, holding on to a job in the private sector, keeping up with house repayments, keeping up with mortgage repayments, trying to balance the bank account at the end of the month. It is about mums driving children to extracurricular sports facilities all over the Island and the cost of that fuel. It is about struggling to send children to university when those university fees are 3 times the cost of a U.K. person. It is about the elderly balancing a small pension, and I say to Members we really run the risk of losing touch with middle Jersey if we carry on doing business the way we carry on. We have antagonised and upset so much of the Island and it is why sometimes this Assembly is held in such low regard. I bring Members back to my amendment and I am going to selectively quote from it. The Island has escaped the worst ravages of the global recession and the credit squeeze, however, the cost of living to Islanders is particularly high and now our Minister for Treasury and Resources and his department want to make it even higher and he is targeting middle Jersey again. Most of middle Jersey do not binge drink, they do not end up at A. and E. (Accident and Emergency) and they lead moderate lives. We should not legislate across the Island because of the bad behaviour of a minority of people who do cause the Minister for Health and Social Services problems and do cause the Minister for Social Security problems. We should not generally legislate when there is a minority problem. The proposed increases that our Minister for Treasury and Resources is suggesting are not modest. With interest rates where they are and where the inflation rate is at 6.2 per cent, 9.7 per cent and 9.8 per cent, in any one year, if anyone suggests that that is moderate then I suggest that that is totally unacceptable and again, it is sticking these impôts duties on to those that they think can afford it. Indeed, in the Treasury's comments, again comments relating to my amendment, Treasury make absolutely no reference to G.S.T. and it is part of this problem, this budget debate. I heard the Minister for Treasury and Resources speak about what the U.K. is doing and the way we should follow in parallel like some slavish copycat to what the U.K. Chancellor is doing. I suggest to Members that if you look at the percentage component of duty as G.S.T. - as is spelled out on page 27 of the Budget, in the box, figure 6.3 - at the moment 57 per cent of the component part of a litre of spirits in Jersey is now going to Treasury, 61 per cent on a packet of cigarettes and 54 per cent on a litre of unleaded petrol. Now my question to the Minister for Treasury and Resources, and I hope he does refer to this if he is going to speak on this debate, and I am sure he will, will be that if the U.K. go to 67 per cent, 77 per cent, 87 per cent, 97 per cent, or 177 per cent, are we going to follow slavishly? I certainly hope the answer is no because what the U.K. does does not necessarily, to me, look like a good example and I absolutely pity the U.K. taxpayer in years to come when they have to deal with what they have had to spend to keep their economy propped up. I notice this morning that in the Minister for Treasury and Resources' list of countries within the E.U. bloc that have bounced back out of recession he did not include the U.K., they are far from it. So, whatever the U.K. does we have got to give it a wide berth because we risk causing problems for our own economy, and I leave it at that. I want to refer to a letter I received from a Jersey pensioner. It was sent to me on 25th November: "Dear Deputy Power, if some Members of the Assembly could devote a fraction of their time to thinking of ways to reduce the monolith they have allowed to grow within the Jersey public service that needs so much of our tax revenues to feed it, rather than thinking up new ways of attacking what is left of people's money and pensions for them to spend themselves, would be a cause for celebration. People do not forget that this is what the States have promised to do time and time again. Do you and your colleagues realise that a bottle of cooking brandy that I add to my hot milk at night as a nightcap, costs me now £21 in our shops compared to £8 at Gatwick. I was one that rallied against G.S.T., as were many candidates in the last election. That, of course, has now gone and they were safely voted in." Then he goes on to say: "Unless all

socialist messes are discarded, such as 'tax and spend', and a low tax economy is introduced, Jersey will become more and more expensive for those of us that have to live here. As we see the banking sector slim down we would wish that we had not sat back and been party to other Island industries, such as tourism, wither away to the poor value for money that Jersey now offers." So, that is from a pensioner. I also want to quote an excellent email that my fellow colleague, the Constable of St. John, wrote last night to a number of you, I think all of you. He replied to Mr. R.T. who is very well known at Fort Regent: "Dear R., you can rest assured that I will not be supporting any extra taxes, environmental or any other tax. The public of the Island are sick and tired of being hit in the way we have been hit, G.S.T., 20 means 20, *et cetera, et cetera*. We need a much fairer tax system. We need to know that we are all paying the same percentage of tax and that should include 1(1)(k) and we also need to raise the cap on social security payments. Finally, we need a root and branch review of the public service workforce with reductions in levels of staffing at all levels, not just blue collar." So that is my good colleague the Constable of St. John. I want now to refer to correspondence that all of you have had from the tobacco importers and I will be brief here. The Liberation Group and Institute of British Innkeeping and the Jersey Hospitality Association - and it reinforces some of the things that I want to say, in fact, they say it better than I do. The tobacco industry, first of all, they refer to the 2004 budget which was agreed in December 2003, long before my time, and States Members agreed to an amendment from now former Deputy Patrick Ryan, which increased tobacco duty by 12.1 per cent in an attempt to generate £1.19 million. The result after the year was an increase of £578,000 in revenue, less than half of what was expected. We have a situation now with tobacco, with cigarettes, with cigars, with whatever else people smoke and we have a law of diminishing returns setting in and I am just wondering how long the oracles of expertise in Treasury will take to realise that either we do something like banning tobacco and let people carry on bringing it in privately from outside, or we realistically approach people's rights to smoke tobacco as simply as the way they have a fatty diet or do anything else that is not good for them. We cannot legislate for people like this. We have now proven that we have a law of diminishing returns setting in. I also want to refer to a letter from the Liberation Group that was sent to Senator Ozouf and Senator Maclean, and I will quote selectively: "One of the key learnings from the U.K. and Europe has been that continuing increased pub prices due to excessive duty rises governments force people to seek out cheaper cut-price alcohol from supermarkets and off licences." This alcohol is then consumed without supervision at home potentially leading to binge drinking and it also refers to pre-loading: "It also increases the phenomena of pre-loading where people drink at home prior to going out for the night and then results in crime and disorder." They also refer to the fact that these increases are anything but moderate and that they are excessive. I want to refer very briefly to the British Institute of Innkeeping who have written to most of us. They say - this is to Senator Ozouf and Senator Maclean: "You quote the States Economic Unit as saying that a modest increase in impôts duties on alcohol is unlikely to work against the Island's economic interest and may work in its favour. Do you honestly believe that a 6.2 per cent increase is a modest increase?" The answer, of course, is: "No, it is not a modest increase." The British Innkeeping Institute say: "We strive to maintain the difference between Jersey and the mainland in many respects, heritage, culture, judiciary, tourism, but all you seem to be doing is hell-bent on undermining these efforts by wishing to copy everything the U.K. does to the point of bankrupting the hospitality industry by imposing unrealistic levels of duty within the next 4 years." I refer back to if the U.K. Chancellor of the Exchequer is going to go up by incremental amounts, 77, 87, 97, are we going to follow and what are we going to do to our tourism industry and our hospitality industry? I certainly do not want to be a Member of this Assembly that starts to see pubs close all over the Island. We need village pubs, we need Parish pubs and we need people to support those pubs. There is absolutely nothing wrong with a working man stopping off at the Trinity Arms or the Horse and Hounds and having a drink or 2 before he goes home. There is nothing wrong with that, it is in moderation. Finally, selectively, I want to refer to a letter sent to Senator Ozouf and Senator Maclean from the Jersey Hospitality Association. They refer to the proposed inflation-busting increases of 6.2 per cent on alcohol and 9.7 per cent on tobacco as extreme increases if

implemented and will damage adversely the licence trade and the visitor economy. Again, they refer to our visitor economy. However, the promised review of the big spending departments that Senator Ozouf, our Minister for Treasury and Resources, referred to this morning has not started. They are saying that there is an absolute need and I agree, we have to have a fundamental review of how we conduct business. They also refer to Senator Ozouf, the Minister for Treasury and Resources, linking these impôts to health and I want to quote: "Senator Ozouf emphasised that he was responding to the concerns of the Health and Social Services and Home Affairs Departments. While we recognise that their view is necessary, it appears that these departments always seem to be at the forefront when the States need a reason to increase taxes. However, the arguments they pronounce are not always correct and in many cases are skewed, as the Jersey Hospitality Association confirmed in a recent response [which I saw on a green paper on the new Draft Licensing Law (Jersey) 200-], however, Economic Development are aware they have sought to influence this new law and in the process unfairly countered the views of the Hospitality sector." So again, large employer trying to keep Jersey's tourism industry and visitor industry up and running and battling for their own States department. I want to deal briefly with health. It is, in my view, hypercritical of a Minister for Treasury and Resources to suggest that this can be linked to health. I will give one example of the hypocrisy of the States system. One of the biggest shops that sells alcohol is at the airport. It is part of the States portfolio. It is leased to an operator but that shop sells significant amounts of alcohol and tobacco. It sells a lot of other things but it sells a lot of alcohol and tobacco. I, therefore, put it to the Minister for Treasury and Resources that we are enabling duty free sales at our airport, both for residents and for people coming and going. A lot of people who live here buy that stuff and bring it back. I say to the Minister for Treasury and Resources, if you feel that strongly about it close it. I do not want to hear any more about that one. I want to refer to what the British Innkeeping Institute said about pre-loading and what it does. I attempted to research what is happening on alcohol and drugs in Jersey and there is very little information available. There is very little statistical information from the Alcohol and Drug Service, from Health and Social Services themselves, from the States of Jersey Police. The data is simply not there and it is something that hopefully one of the Scrutiny Panels might take on at some time. But there is very good information available in the U.K. and I want to deal with health from a U.K. perspective and how it has caused problems. The concept of pre-loading is where a particular age group - they can be young-ish, they can be teenagers, they can be in their 20s and maybe even a little older - drink a significant amount of a spirit before they go out because it cuts down the cost, and that can be bought from a supermarket or whatever. What happens then is when they hit St. Helier or the middle of Maidenhead or the middle of Plymouth or the middle of Dublin they mix that alcohol with further alcohol, according to the statistics from the U.K. Home Office. The problem then is that pre-loading is mixed with further alcohol and/or drugs and there is an absolute correlation in the increase in street violence being caused by the pre-loading and then mixing the pre-loading with drugs. The point I want to make about health is that we attempt to control the importation of illegal drugs through our ports and our airport and we do a semi-effective job but it very obvious to anyone in this Assembly that it is still getting in and in fairly significant amounts and we have a problem. So the problem is (a) the alcohol, the pre-loading with (b) the drugs that are mixed with it. The Home Office are saying that normally about 1 per cent of people who pre-load get into trouble in the U.K. but those that pre-load and mix it with drugs, that goes up by 400 per cent, particularly in pubs and clubs. There is a huge incident of violence when these people mix their alcohol with their drugs. Why am I saying this? I am saying this because pre-loading is unsupervised drinking. Pre-loading is drinking secretly. Pre-loading is drinking behind closed doors. Pre-loading is drinking anonymously and the tradition, the Irish and the English and the Welsh and Northern Irish and the Scottish tradition of drinking socially and the French tradition of drinking socially is largely going and that is a major issue for this Island. I think every time we increase impôts duty on licensed premises where drinking is under some degree of supervision, we risk increasing street violence and that is why I am linking alcohol and drug abuse to unsupervised drinking. So what the Minister for Treasury and Resources is doing suggesting to all of us in the

Assembly today is: "Let us increase the impôts duty, let us increase the cost and people will not drink under supervision, people will start drinking where they can buy cheap vodka, cheap gin, cheap whatever and drink secretly or behind closed doors." So what does the Minister for Treasury and Resources do when he comes up with an amendment to his proposition like this? Well, I talked to him - I did not say I tackled him - I talked to him at lunchtime, he did not tackle me, and I think we have to have ... he referred to it in his speech this morning, we have to have a fundamental review of the way we do business on this Island. I am not in a position to date to say to Members that I can find ... honestly tell you that I can find £4.2 million to deal with this in the short term, the simple answer is I cannot, but I can tell you how we can do this and I have already told the Minister for Treasury and Resources how we can do this. We need to stop spending money in certain areas and I will give some example of what I have picked up with our neighbours, with our Northern Ireland neighbours, with our English neighbours our Irish neighbours and our French neighbours. One of the first things we have got to seriously do as an Assembly, we have got to look at final salary pension plans for the public service. That will save a lot more than £4 million. We have also got to look at States spending since specific States departments and when I compare the Housing Department Authority serving men and women returning a £0.5 million a week to Treasury, £24 million a year compared to other States departments that are supposed to be trading operations that employ 3 times the amount of people and hardly return £2 million to Treasury, I say to myself: "Boy, there are some States departments out there that need a hell of a sorting out." I am also saying that ... no, I am not giving way, I am not giving way to anyone, you can all have a go when I am finished. I read in *Figaro* 10 days ago that President Sarkozy has suggested in the review of the French civil service which is famous for its bureaucracy that for every 2 public servants who retire naturally they are replaced with one, and I think that is something that could possibly be looked at here because we have big departments that have inefficiencies. In Ireland, they have carved prescription charges down to a third of what they were, it was done overnight, it was done in 6 weeks. So there are things that can be done. There are inefficiencies in Treasury. I am not going to go into too much detail but I certainly have had 2 bad experiences this year with Property Holdings and I will give one specific example; there was a shelter in St. Brelades Bay that was being proposed to be sold to a restaurant group for £10,000, I stopped it and now the same department is trying to sell a tiny piece of grass in Clos de Sables for £17,000 which I think it ridiculous. I think there are issues with departments like that that seem to lose touch with reality. So coming back to impôts duty; there are ways that we can grow local business. I would ask the Minister for Treasury and Resources to look at the duty that is imposed on the La Mare Vineyards, La Robeline and the Liberation Group. At the moment they get 50 per cent off their duty because they are producing alcohol locally. But perhaps we should be radical and cut it even more and make them produce more and export more alcohol. I think that is a possible source of revenue to Treasury. So there are things that can be done and I beg Members when they decide to make their mind up about this amendment, do not get focused on the short term, do not get hung up on a duty on alcohol, on tobacco or on fuel. What we need to do is look at the bigger picture and see how we can fix some of this stuff and I say to Members today - and I genuinely mean this - this imposition, this proposed imposition in duty has come from Treasury and the Treasury Department and it is one example of how sometimes I feel that this Assembly has lost control of the way we do business. When do we initiate? We seem to spend our lives reacting to things like this. It is about time this Assembly put its foot down and said: "We need to be qualitative about the way we approach these reports and propositions and make our own mind up independently as to how we do it." The problem of course, what all of us have to do is we are facing a wall of paperwork, a wall of reports, a wall of propositions, a wall of legislation and regulations that we all struggle to keep up with and I think it is time that this Assembly started initiating and stopped reacting so much. We need to take control of the way this Island does business and this particular budget, this particular example in this budget is one way, to me, that worries me to the extent that whoever are going to sit down, because: "Oh yeah, we need the money and okay, we will agree with the Minister for Treasury and

Resources.” But I think we need to start kicking - I will not say what I was going to say - we need to start kicking certain parts of certain anatomies. The tail is wagging the ...

The Deputy Bailiff:

That is not quite what St. Paul said, Deputy.

Deputy S. Power:

I hope the Minister for Treasury and Resources has a road to Damascus experience shortly.

The Deputy Bailiff:

That is a better way of putting it.

Deputy S. Power:

We are faced with the tail wagging the dog in this Assembly, we are not in control of what is happening out there. We are not in control of spending and then we are asked to support these propositions. The public perception of this Assembly right now is low, it is one of dithering, it is one of time-wasting, it is one where we do not make decisions clearly, it is one of endless debates about minutiae and ourselves and we really need to come out strong sometimes. So I say to Senator Ozouf and I say to my colleagues on the Council of Ministers and I say to Deputy Trevor Pitman ... Deputy Pitman made a statement in the Assembly 2 weeks ago or 3 weeks ago that all Ministers and all Assistant Ministers vote same way. They do not do that and I can say that when I lodged this amendment I did not have one phone call from a Minister or Assistant Minister to try and dissuade me. So I came into this Assembly 4 years ago as an independent Member of the States, I pride myself in being an independent Member of the States and I brought this amendment because I feel strongly with what this does to middle Jersey. We need to assert our individuality, our independence and our authority and I would be the last person to sign up to something that I do not agree to. So, I say to Members you have probably already made up your minds, reflect on what I have said, reflect on what you are being asked to do today. Reflect on trying to link a Treasury problem with a Health issue. Do we really need to legislate across the Island for stuff when the vast majority of middle Jersey are moderate in the way they lead their lives? I ask you to think about what I have said and I hope you are comfortable with your decision. Thank you.

The Deputy Bailiff:

The amendment is proposed, is it seconded? **[Seconded]**

7.2.2 Senator P.F.C. Ozouf:

I like Deputy Power very much. He is a good Assistant Minister generally but as Members would expect I cannot agree with many of the comments that he has made and the underlying sentiments in the amendment. I believe that of all of the amendments we consider this, from the Treasury perspective, is most certainly the most damaging. Now I need to take Members back as to why are we proposing this proposition and I will deal with who is proposing it in a second. These proposals are designed to raise more money from duties, £4.25 million raising duty levels from £60.2 million to £64.25 million and I have carried out extensive research with Customs and Immigration in order to make sure that that is our best assessment that if these duty increases were to be put forward that would raise the equivalent amount of money on those figures and I will address some of the, I think, spurious issues that Deputy Power has raised. Why am I proposing for an increase of £4.25 million? Well, the first thing is that on an annual basis we normally increase duties as a matter of course in order to fund our expenditure which normally rises in excess of inflation and that is, in itself, approximately £1.5 million. In addition, and I made this quite clear in the Business Plan, because of the need to respond to the specific additional demands at Health and Social Services for £475,000 for respite care and £1.1 million for nursing, I would need to find a commensurate level of income to pay it. I say that because every Member will know that there is a structural deficit and every pound of additional expenditure will incur an increase in the structural

deficit which will have to be repaid and will come back to this Assembly in terms of either saving cuts or taxation increases in future. The third thing is the important issue of environmental spend, which I outlined this morning of which £2 million, £1 million is for insulation grants, £500,000 for recycling and £500,000 for the improvement of the bus service. I do not like putting forward increases but I had to do it and I only had a number of limited options in order to propose to the Council of Ministers. I say, because Deputy Power has personalised this, if I may say, it is not my policy; yes, it is my suggestion to the Council of Ministers but I hope, as Ministerial colleagues will wade into the debate during the course of the afternoon, it has their strong support. Because we did discuss whether or not there were better alternative measures to put forward in order to raise this necessary expenditure which we all agreed and I think I am right in saying that Deputy Power also agreed on the basis that there would be an income line that we would have to consider at the budget. So I am not pulling any rabbits out of the hat, I made it absolutely clear, and I think he agreed, that an income line would have to be put in place when we came to the budget. I would say that it has, I hope, all Council of Ministers' support, maybe not all Assistant Ministers, but it has the strong support of both the Minister for Health and Environment and Minister for Home Affairs, and I will leave it to them, if I may, to respond to some of the more dubious conclusions that I think that Deputy Power has made in relation to some of the issues of drug and alcohol policy. Certainly that is not as I understand it, the advice that the Minister for Home Affairs has. I have not heard anything from Deputy Power as to whether or not he thinks that there is an issue of alcohol abuse in Jersey. I have to say to him, does he really think that asking ordinary consumers of alcohol... does he really think that the increases that I am proposing are so unacceptable? It is easy to play to the gallery and to speak about middle Jersey, but what I am proposing is an increase in a bottle of wine of 7p on an average bottle. Now in order to meet the health concerns I ask Members is that unfair and is that unreasonable? Is the increase on a pint of beer unreasonable in terms of meeting this health demand? Well, some Members clearly do think so, but they must therefore stand in this Assembly and please, with the greatest of respect, tell me what the alternative income levels or the income taxation drafts that they would have put forward because I have not got any others. We will deal with Senator Breckon's issue on company registration fees which I will agree in the longer term with, but certainly not in this year's budget. I am also not alone, and as the Council of Ministers is also not alone, in considering alcohol and tobacco and fuel duty increases and I would just draw Members' attention to my colleague in Guernsey's proposal to increase alcohol and tobacco increases much further than those that are in the Jersey budget in one go, which is one of the problems that Deputy Power has. The Guernsey budget is proposing dramatically larger increases, 40p on a packet of 20 cigarettes, 15 per cent on a bottle of spirits, 4.8p in total on a litre of petrol and so on. So I am afraid to say that those are the figures that I have in front of me. I am afraid that we are not alone in needing to consider duty increases, not for fun, not because we take pleasure in taking tax out of people's pockets, but because we need to fund frontline services. Deputy Power has also raised that quite legitimate issue about: "Well, no, you did not have to increase taxes, you could have just come forward with savings." Now he and I have had a few conversations about this and I am interested to know where exactly... because he could have amended proposals earlier on where he would find this money in order to increase duties. I have examined him on his issues of housing and I think that he has said that certainly he could save money at Housing. What he has told me is that he wants the subsidy that Housing currently make to general revenues of, I think it is, approximately £24 million on the back of the Professor Whitehead report - an excellent report - to be kept by Housing: a saving. I am afraid the Treasury is going to have to find £24 million out of general revenues to pay for his so-called saving initiative at Housing. I am not against it, but I would just make the point that there are real challenges in relation to savings. I have made it very clear in my budget speech that I intend to be really tough on spending. I intend to shine the torchlight into areas of expenditure, learning the lessons of previous fundamental spending reviews, that has never been undertaken before. If I am successful we will be able to deliver greater services, some of which he is responsible for at Housing. I think it would be quite wrong to send out the message that somehow we can put the issue of Health

spending and the requirement of finding more income off for another day because we can find savings. We are going to have to find savings but we are also going to have to meet very substantial spending increases, some of which he supports and some of which the Deputy of St. John, who I think wants to intervene in this debate, wants to spend on sewerage and network expenditure and infrastructure, we are going to have to find more money from savings and efficiencies and I do not think it is right to make the suggestion that we can simply not have to raise this money. He knows that there are significant challenges, apart from the structural deficit on spending on infrastructure, the ageing societies, maintenance, healthcare, *et cetera*. I am going to leave it to other Ministerial colleagues to comment on the particular Health and Home Affairs issue, but I must implore Members when they rise to speak on this amendment, and if they are going to support it, could they please give me alternative measures which could raise £4.25 million this year in order to fund the expenditure that we have already done. Would they put that money, if they have got other areas of expenditure, for the existing areas of expenditure or do they have, as I suspect that they may have, other quite valid arguments in terms of increased public expenditure? This is a serious amendment. It is one amendment putting aside the whole of the £4.25 million duty increases. I urge Members to reject it.

7.2.3 Deputy T.M. Pitman:

I certainly very much look forward to reading Hansard when I get a chance and possibly coming back to the Deputy. But in commenting on his amendment, perhaps first due to the season of goodwill being almost upon us, I will congratulate the Minister for Treasury and Resources on his first budget, even though I have to observe that major aspects of it will, in stark contrast to the intentions laid out back in the Strategic Plan, in my view further erode our ideal of Jersey remaining a special place. It particularly concerns me and many members of the public I speak to that the Council of Ministers and the Minister for Treasury and Resources... their continuing inability or unwillingness to bring about the much-needed changes in implementing a genuinely progressive taxation system, not just 1(1)(k)s, which leads me directly to Deputy Power's amendment to remove the proposed £4.25 million duty increases on alcohol, tobacco and fuel. Through having severe reservations on the issue of tobacco, particularly due to the well-documented health concerns, I cannot but help think that the Deputy should have thought this through far more precisely and at least split the amendment into 3; alcohol and fuel he might have got through, I think. I think he runs a risk of getting nothing through. Why? Well, on the one hand, as one member of the public observed wryly to me at the weekend, of the 4 years of Ministerial government continuing to target again and again middle earners - I am not going to use the term "middle Jersey"- and of course those who struggle to make ends meet anyway, affordable alcohol to drown ones' sorrows is one of the few pleasures left. I may go that way myself. In listening to the Minister for Treasury and Resources I have to ask whether his definition of higher earners when he talks about things like 20/20 would in fact stand up if examined on the Trades Descriptions (Jersey) Act. I believe what most of us would conclude is reality is in fact middle earners. So while it is good to hear the Minister finally talking about 1(1)(k)s the reality is, when considering this amendment, that the Minister really needs to be looking at the taxation of the most wealthy in the Island generally. The majority of people I meet are sick and tired of seeing this continuing onslaught on what Deputy Power obviously refers to middle Jersey simply to continue the longstanding appeasement of those at the very top of the economic ladder. This increase on alcohol and fuel simply continues that onslaught. While I will save the more in depth comment for later, the truth is it simply cannot be acceptable that the Council of Ministers continues to indulge the infamously Leona Helmsley ethos of: "It is only little people who pay tax." It is simply wrong, morally wrong, to see such measures imposed while some within our society have effective tax rates of around 6 per cent or far less. The average man and woman simply have had enough. I believe and I do believe this is where Deputy Power is coming from. The sum here is, after all, roughly what I believe is the current shortfall in what 1(1)(k)s alone should be paying us now, not with any increases. This link to Health is obviously a very important one and I do have to say that I

believe that Deputy Power may well lose this amendment because of it. We have got to take that issue seriously. I do wish the Deputy, as I say, had split it into 3. I do have those severe reservations about the tobacco issue. I do, on the other hand, deeply know where the Deputy is coming from so I think I am just going to have to sit and wait and be swayed by debate. Thank you.

7.2.4 Deputy A.K.F. Green of St. Helier:

I will probably be accused of playing to the gallery as well. I am disappointed, but before I go into that I would just like to say I am getting a mixed message from the Minister for Treasury and Resources; is this about changing behaviour or is this about raising money? I think it is about raising money and I will come to the end of my speech first then get over with the rest of it. If it is about raising money, we have got an answer; it is Senator Breckon's amendment. That will give us more than the £4-odd million that this will take away. I am disappointed, I said I was disappointed this is the easy route, this is the soft target, this is not creative and it is more of the same. I will be, therefore, supporting the amendment and there are several reasons and I would like to expand on them. Deputy Power has made very well the case for middle Jersey or middle earners, but primarily for me this is about protecting jobs. Jobs for those who do not wish to work in the finance industry, jobs for those who want to take the vocational route, jobs for those in the hospitality industry. It is about maintaining also our economic diversity, assisting our declining hospitality industry and thus, as I say, employment opportunities this Island is in danger of losing. We will see in 2009 a significant drop in the visitors that we have had to this Island, indeed the Minister for Treasury and Resources said in his speech he has seen a 6 per cent reduction. There is a threat of further businesses exiting the industry. Added to that all the competing destinations - that is the destinations competing with Jersey - will be working exceptionally hard in 2010 to capture the same visitor market that we will be attempting to capture. We have had a very difficult summer; even worse, we have got the World Cup looming in 2010 and what we are going to do is to increase the cost to our visitors to make us even less competitive. It is not the way to increase visitor numbers. Failure to attract visitors next year and the year after will risk a substantial, substantial reduction in the size of our tourism industry. As well as the loss of non-finance employment opportunities, it is also likely that there will be a negative impact on our infrastructure and transportation. The hospitality industry at this time more than any other time needs the support of the States. It requires changes to our marketing approach, it needs us to be more proactive, not to add further cost to them. With the projected reduction year on year that we have on the tourism budget, the last thing the hospitality industry needs is an increase in its cost base, marginalising it still further, making the Jersey destination offerings more expensive, reducing our competitive advantage through increases of duty. The hospitality industry has had no fiscal stimulus, no top-up in the Tourism Development Fund, the only States involvement for next year is a projected cut in the marketing budget for tourism. Yes, a projected cut. A projected cut by about £1.25 million. That is reason alone to support this amendment when we have an alternative source of income. But there is a second reason, and Deputy Power touched on it, and I would like to expand on it a little bit more. I, as a non-drinker - although I could be driven to drink sometimes - want to encourage a responsible approach to the use of alcohol. I want partygoers to enjoy themselves in a safe environment where responsible license-holders supervise drinkers. I want bars and clubs that are affordable to all of our society. The alternative is increased off-license sales thus increased unsupervised drinking, increased on-street drinking, increased street rowdiness as people get tanked-up, I think is one of the terms, before clubbing. I looked at whether I could bring, but it was far too complicated, an amendment which would make it more expensive to buy alcohol from the off-license in order to lower that differential between the off-licence and the public house or club, but it was far, far too difficult to do. The hospitality industry has experienced unprecedented cost increases over the last couple of years. They have absorbed those; for example, they have absorbed G.S.T., they have absorbed food inflation which, if you listen to the statistics that are issued, are at about 14 per cent, but if you look at ... I know as a caterer, if you look at the basic foods, the staple

basic things that we need to make up most dishes, it is nearer 20 per cent. They have absorbed all that and we are going to be really helpful by adding on another percentage for them. We are going to drive the hoteliers, restaurants from the industry, you will see perhaps more luxury homes - not affordable homes - more luxury homes. We are going to drive the customers out to the clubs and bars and on to the streets and we are going to increase our dependence on one source of employment, one source on income and I mean the finance industry. I am not against the finance industry but it is putting all our eggs in one basket and for that reason I will be supporting this amendment.

7.2.5 The Deputy of St. John:

I must say the Deputy of St. Brelade has many good points in his amendment. Firstly, I must declare an interest being a person who likes a pint of beer and also drives a motor car. But all these things in moderation because, as you know, on a fine day you will see me either on my bicycle or my scooter. But to increase taxes on beer and spirits and tobacco, I believe, is foolhardy and, similar to the previous speaker, I think we are pushing people away from spending money in these areas, therefore having to increase the taxes but getting a lesser return. That is fact because historically we were ... you have just got to look at budgets of the past and we had huge returns on tobacco and spirits, *et cetera*, and that has been diminishing for a number of years because we have gone down the road we have. When the Minister for Treasury and Resources is looking at comparisons, he looks at Guernsey, the Isle of Man and the U. K. What I would like him to do in future is look at the European Union because a bottle of Scotch over here, a top brand or bottle of gin which I am fond of - a nice little tipple of gin - my brand without the tax would cost approximately £8 a bottle over here. But the same bottle of gin within the Council of Europe's duty free shop is roughly a third of that price, roughly a third. So who is making all the money? Is it the transport? I do not believe so. Is it duty over the jetty in the containers? Possibly it is that. Something is happening along the way that the Minister should be looking at. I am not saying that we should not have our taxes on it, but it is the course of the base material, the base goods and that is where he should be looking. He asked whether or not we should be thinking outside the box. Well I believe he should be thinking outside the box. He asked for some alternative ways of raising taxes, and if he wants to raise a green tax I have already given it to him on several occasions this year, and he has totally basically pooh-poohed the idea. When I suggested the many millions of bottles that we have to dispose of annually, bottles of water - whether the bottle be glass or whether it be PVC, plastic of some description or another - he pooh-poohed the idea of a small tax on imported bottles of water. Given that you go into a restaurant... I was out for dinner last week with my family at a well known hotel that is just about to change hands in St. Peter, a bottle of water at that particular restaurant, I think were charged out at somewhere in the region of £3. Well, given you are paying that and there is no tax on that, if people can afford to buy bottled water they can afford to pay a tax on it because the water that comes out of our taps is perfectly good to drink, and I believe this House should be showing an example by making sure all our States departments should stop using bottled water, other than departments, should we say, at possibly Howard Davis Farm where they have a bore hole and obviously they have nitrates and other pollutants within it. But where possible, and just think of the many millions of bottles that go through which we have to recycle which costs us money, he could have a green tax of 1p or 2p on a bottle of water and people would still buy their water and there would be some income from there. That is one ...

The Deputy Bailiff:

Can we try and have one today going only at a time, please?

The Deputy of St. John:

Two, I have mentioned yet again savings can be made and yet I have still sought ... in fact I spoke to my father about if yesterday morning, who, like myself, gets up at between 5.00 a.m. and 6.00 a.m. in the morning at this time of the year and of course it is still dark, he looks out of his

window and what does he see? The lights on Victoria College which are up-lighters, not down-lighters, still lit at that time of the morning. There are savings to be made within the Education budget, which although I have raised this in this House over the last 9 months, nothing has happened. So there are 2 for a start, 2 areas of which both are in the green area, shall we say, given my environmental tag and some of that money that could be raised could go towards my main drains extensions - I knew you wanted me to mention it - into the countryside, *et cetera*, and mains water just by cutting down the carbon emissions of bringing water from Scotland or Wales or from the Pyrenees or from the Alps to Jersey and then of us having to dispose of all of these waste bottles. So, if the Minister would like to take those on board that might go some way towards the Deputy of St. Brelade's argument. Thank you.

7.2.6 Deputy J.M. Maçon:

Yes, I would just like to comment on the health element of this. All I think that would happen by increasing duty on alcohol is what Deputy Power said, it would just increase home consumption more. Now we know that home measures are larger than those that you would get in a public house so it is a spurious argument to say: "Oh, that is a better thing to have" because all you are doing is forcing it more into the home where people will be drinking more. It is all to do with price. If the Minister for Treasury and Resources would like something which perhaps will be an efficiency, why can he not solve the problem with the data protection issues between his department and Social Security? It is an absolute nonsense. How much time and effort is wasted because people cannot do things because they need to use exactly the same information for one or another and while he is at it, perhaps he can solve the issue with Housing and the Constables as well.

7.2.7 The Deputy of Trinity:

As Members would expect, I shall be opposing this amendment. As he said, the increase of these duties will help fund the extra nurses that are essential for sustainable hospital, the ageing society and the extra £4.75 million that all Members supported for adult respite care. I met with Senator Shenton yesterday to look at ways of using that money for adult respite beds, care at home and outreach support. This enhanced service is ready to be put into place in January. Also extra funding for staffing review; we have had many questions with that and I will not go any more into that. Deputy Power has mentioned savings, but as I know from personal experience, having looked at my business plan earlier this year, that will be extremely difficult to deliver. I wish just to draw Members' attention to some simple facts about alcohol and tobacco. These facts should assist you all in your thoughts of whether to support this amendment or not. These are not facts and statistics derived from alcohol or tobacco industry which promotes the profits of those businesses, but these are evidence-based facts from here in Jersey and across Europe. Facts that highlight the social and health impacts of alcohol and tobacco consumption and the effects that pricing might have upon the consumption. Members will find that this evidence, which they already know, along with the Assistant Ministers for Home Affairs and among others, have been telling the House passionately for some time, this is the alcohol consumption in Jersey, it is a huge problem that is threatening us all in our society. Many Members, especially those recently elected to the House for the first time attended an excellent conference called the 3Ds: Drinks, Drug and Decoration in January this year, which was organised by our departments. This told of experience in Scotland where unequivocal links have been drawn between alcohol misuse and deprivation which can lead to violence and to antisocial behaviour. If you tour the streets of St. Helier on a Friday/Saturday night with the police - and you know that I have done that - you will be left in no doubt, as I was, as to the impact of alcohol upon our young people. If we do not tackle underage drinking and smoking by our children in Jersey, then their opportunities in the future will be seriously impaired. So, just let us consider the cold facts. Across Europe alcohol has been identified as the third highest risk to health, ahead of obesity and behind only tobacco and high blood pressure. The more a community drinks the greater the harm that is caused by alcohol. As consumption goes up, then harm done by alcohol to individuals and society goes up in proportion. That is a fact. Jersey's consumption per

capita is one of the highest in Europe and is one league table that we should all be ashamed of to be near the top. Alcohol is not only impacting upon the Island's health, it is also threatening our social wellbeing. In 2003 the States of Jersey endorsed the alcohol strategy with its explicit aims to reduce alcohol consumption, and policy since then has been based upon that priority. It has informed the Health for Life Strategy when it was recognised that concerted and continued action has to be taken on a number of fronts and I just endorse this for everybody to read. Increasing impôts duty on alcohol is just one measure, others being strong educational programmes within our schools as well as community approaches to tackling antisocial behaviour. While I am very pleased that there is a downward trend which offers some comfort, we still lag behind our European colleagues in reducing alcohol consumption. This is in part because of the high disposable income in Jersey, particularly among our young workers. Although prices have increased over the years due to taxation, alcohol has still been relatively more affordable in Jersey because of increases in average earnings. It just does not fit well with the strategy to reduce alcohol consumption. We must realign local fiscal policy with the previously agreed States strategy on alcohol and raise impôts duty to above inflation if we are serious about tapping the impacts of alcohol upon our society. I do not accept the Deputy's contribution that the rises are unfair to middle Jersey. Those with families, dependent relatives, children at university and with mortgages may not binge drink, or end up in A. and E., but they contribute to those that do and I think they expect this Assembly to do something about it. They expect this Assembly to reduce the impact alcohol and tobacco upon their tax pence and impact that they have upon society in which we live. The Deputy jests that the budget uses the Health Department as an excuse to raise levels of duty on alcohol and tobacco, and that is not acceptable. The Deputy describes it as an old hobby horse; well, every year, in the cold light of facts, there is an estimated 42 premature deaths each attributed to alcohol, and that is based on the Public Health Intelligence Unit 2009. Each year, three-quarters of all evening street violence arrests between the hours of 8.00 p.m. in the evening and 4.00 a.m. involve alcohol. These are the cold facts. The World Health Organisation recommends that fiscal approaches should be used in tandem with health education campaigns to reduce alcohol consumption. Implementing new fiscal measures in addition to duty are encouraged by the World Health Organisation. Some new measures might include minimum pricing and recent steps taken by the Scottish Government to introduce minimum pricing, an example of a government responding to these recommendations. Minimum pricing of alcohol means setting the tax on commercially supplied alcoholic drinks solely on the basis of their alcohol content irrespective of where they are sold. Sheffield University have produced an independent review of the effects of alcohol pricing and promotion. This found that such pricing policies can be effective in reducing health, crime and employment related harm. The current Licensing Law 1974 needs reviewing and has been the subject of a recent Green Paper put out for public consultation. The Green Paper included improvements in public health as a key factor when awarding or reviewing alcohol licence. Jersey has double the amount of licensed premises for its population than the southwest of England. In addition, the Green Paper suggested a more level playing field in the way the Licensing Law treated on and off-licensed premises. A summary of responses from this consultation is expected soon. Let me now turn to tobacco and again I will just simply give you the facts. Smoking kills about 150 people in Jersey each year. That is 20 per cent of all deaths in the Island. This makes smoking the biggest preventable cause of premature death and chronic ill health in Jersey. The Jersey Annual Social Survey 2008 found that 15,300 adults still described themselves as smokers. The Jersey Tobacco Strategy, as approved by the States in 2003, agreed to employ fiscal and legislative measures in order to address the demand and supply of tobacco products. These fiscal measures physically included increasing impôts duties on tobacco products over and above the level of inflation each year. This tobacco strategy has been remarkably successful so far, with levels in smoking falling from 29 per cent to 21 per cent for adults, and from 35 per cent to 21 per cent for 14 to 15 year-olds during the last 5 years. This strategy is working. Now is the time to stick to it and, please, save some more lives. Our target is to reach 14 per cent as already achieved in parts of the world, including California. So, let us be clear. Let us remember the facts. When it comes to alcohol and tobacco consumption in

Jersey it is still too high. We must ensure that prices remain above inflation as it has shown that it will reduce consumption. I know that price alone will not solve our problems but we need to have a joint approach, with an emphasis placed on sound educational programmes in schools and the wider community. I urge Members to reject this amendment and support the Minister for Treasury and Resources' budget, if not for the health of the budget, then for the health of our Island.

7.2.8 Senator S.C. Ferguson:

There was a mention of G.S.T. and so on. I would remind Members that on a bottle of spirits, the G.S.T. is - I think it was in relation to the letter from the pensioner... well, the G.S.T. on a bottle of spirits is 51p but the duty is £9.37 on a basic cost of £7.51. Think about it, and apropos the drinking, the Mayor of Milan forbade open containers of alcohol on the streets because of drinking problems and it worked. Perhaps it is something we should consider. The Minister for Treasury and Resources has been talking about £62 million from impôts. I am sorry. I do not understand where the figure comes from, because on page 40 the figure for impôts is £54 million arising from the estimated total for this year of £51.2 million. I assume he could not read his own writing. The increase he talks about is £4.2 million but in actual fact, 54.4 minus 51.2 is 3.2, so perhaps I am missing something. He also asks where would people find savings. Well, let me put it another way. It was quite clear from the Comptroller and Auditor General's report on Emerging Issues, and the Chief Minister and Treasury and Resources Departments were quite clearly tasked with bringing a report in 2009 to the States as to how to implement his cost-cutting proposals. We are still waiting. I would remind members that about 50 per cent of States expenditure is on staff salaries and pensions. That is where we start. We need quality, not quantity and I do not mean axing frontline staff. I like the Deputy of St. John's concept of a tax on bottled water. Bottled water is now getting to the point where it is more expensive than petrol. I think that is really environmentally friendly and if he wants to bring that proposition, I shall support it. The Minister for Health and Social Services talks about cutting smoking and drinking for the teenagers. Has nobody thought about incentives? You know, what sort of incentive can you give these kids so they do not smoke or drink? I suppose I have to admit that I did not smoke or drink before I was 21. Not because I was being frightfully good or prissy, or anything like that, but because my father had promised me some money if I did, and being somewhat mercenary, I thought it was worth sticking to it. Oh, I spent it the day I was 21. Anyway, apart from that, I have virtually no conflict in this debate. I am a director of a hotel, but we have not got a licence. I am almost a non-smoker and I do drive a fuel-efficient car. I do not have any problem with indirect taxes, but really there are limits and I am totally fed up with the dictatorial attempts to control our life-styles imposed by the "nanny state". That is my only contribution to the various emotional overtones to this debate. Deputy Power points out that the consumption of tobacco products has hit the diminishing returns buffer. Well that gave me food for thought, so I had a look at the figures. Over the past 12 years importation of tobacco has fallen by 70 per cent and the duty has risen by 44 per cent, but the total revenue has been pretty well static for the past 5 years. In other words, you keep putting up the cost - the duty - but it does not make any difference to the amount you are getting in. Interestingly, we have heard that the percentage of current smokers in the population has gone down and it has been pretty static for the past 3 years, but on the other hand I understand that the duty-free lounge at the airport is going great guns and I understand cigarettes in France are very reasonable compared to here, so I would suspect there is a considerable leakage in revenue to the duty-free shops in foreign establishments. I really feel we are getting to the point where we cannot impose further lifestyle changes without verging on a police state, and people are finding alternative channels of supply, which is perfectly natural. There are similar odd statistics for road fuel. The revenue from duty has gone up by 293 per cent over the past 12 years, the quantity imported has fallen by 4 per cent but the number of cars on the roads has increased by 45 per cent. It seems to me that there are a number of factors here. Cars are running more efficiently, people are taking to alternative transport or they are getting smaller cars, but if you cannot offer a realistic alternative to the car, people will not give them up. They are a necessity, and then there is beer. The duty has increased

over 12 years by 189 per cent, but the quantity imported has fallen by 25 per cent. Wine quantities are unchanged, but the duty collected has increased by 101 per cent. Cider quantities either produced or imported have increased by 31 per cent and duty has increased by 259 per cent. By way of contrast, duty on spirits has increased by just 2 per cent but consumption has dropped by 48 per cent. I think this means that the drinks profile of people has changed. We have heard from 2 Ministers now about the problems of tanking-up before you go out, but in general we are drinking less beer and spirits but more wine and cider, and no doubt if we increase the duty even further, people will be back to brewing their own. A real 'Think local, buy local and drink at home.' There are a lot of people who drink responsibly. Why should they be penalised because of the exceptions? Interestingly, we did a Scrutiny visit to Grainville School where the topic was youth drinking. I asked my group whether putting the price up would make any difference. One of them told me he paid for his Saturday drinking session with his Saturday job and if the price went up he would just work more. I think the phrase is "price in elastic". Then, I do have to ask, what is the accuracy of the forecast? The estimates are that there will be an increase in duty on spirits of 6 per cent and they forecast an increase in income of 5 per cent. With wine the increase in duty is 6 per cent and the increase in duty forecast is 15 per cent. I have not got a figure for cider. Beer, the increase in duty is 6 per cent, but the increase in income expected is 10 per cent. In tobacco, the increase in the duty levied is 10 per cent ... the rate of duty levied is 10 per cent, but the increase in the impôts income is also 10 per cent, and the same for road fuel. Put the duty up 10 per cent and we will get 10 per cent more in income. I cannot see where these forecasts have come from. If beer is on a downward trend, how will revenue increase by 10 per cent on a duty increase of 6.2 per cent? It is the same for wine. The forecast is for a 15 per cent increase in income based on a 6 per cent increase in the rate of duty and we have got a static consumption. The Minister estimates that we shall increase impôts, according to page 40 of the budget statement, to just over £54 million. I have my doubts. The other noticeable aspect of these impôts is that the total revenue is pretty well static, as I have already said. Successive Ministers for Treasury and Resources have used these impôts as cash cows, but with the explanation that they are doing it for our benefit. Well, it seems to me that the Minister for Treasury and Resources, if this amendment is not defeated, had better prepare for his estimates for impôts income to undershoot. There is a law of diminishing returns and it is kicking-in loud and clear, as I have tried to explain, and we are just adding misery to the restrictions already in place. I repeat, I think it is unlikely that these increases will result in the hoped for increased income, so we might as well leave rates as they are. I will be supporting the amendment.

Senator P.F.C. Ozouf:

Could I just clarify? Senator Ferguson picked me up on a figure. She is correct. I was talking about £60.2 million to £64.45 million as the increase in deficit, the point of the duty increases of £4.25 million is correct. She is correct in the schedule that she referred to.

Senator S.C. Ferguson:

I am sorry, 54.4 minus 51.2 is not 4.2.

Senator P.F.C. Ozouf:

It is all of the duty increases. I will give her a note of the breakdown.

Senator S.C. Ferguson:

Thank you.

7.2.9 Deputy D.J. De Sousa:

Surprisingly I find myself agreeing with Senator Ferguson. Deputy Power in his speech proposing this amendment covered most of what needs to be said, and Deputy Green, your speech was outstanding and you covered most of what I want to say. I do not feel that the increase in duties on cigarettes, on fuel or on alcohol would increase the revenue to the States, or that it would help with

health. It is a well-known fact that if people want to drink, they will drink. They will find cheaper alcohol. Cheaper alcohol, when drunk and consumed at home, is not regulated. Youngsters can get hold of it. I have been in A. and E. on a Saturday night when 12, 13 and 14 year-olds have been brought in paralytic. It is not a thing I want to see increased. Alcohol-fuelled violence in Jersey is on the increase as well, because people drink before they go out, and then they go out and they mix their alcohol and then we have trouble in town. Higher disposable incomes: people do not have higher disposable incomes now. We have had higher taxation, we have had electricity costs go up, we have had food and commodity costs go up, the introduction of G.S.T., 20/20, and Zero/Ten have all impacted on the disposable income that we did have. I will be voting for this amendment because I cannot see that it will bring the revenue that the Minister for Treasury and Resources seems to think it will.

7.2.10 Deputy R.C. Duhamel of St. Saviour:

In having Assistant Ministers or Ministers linking enjoyment issues, or leisure issues, with tax raising we find ourselves in the middle of what is an interesting dilemma, I feel. I think there should be an opportunity at least for some Members to begin to discuss the moral and the ethical dimensions of that behaviour. Now, on the one hand we are saying we have to be raising taxes, we have the ordinary mechanisms where we can go for a direct rate of tax and it can be put into any coffers through the Treasury and then back into the departments, but here we have impôts which are specifically related to particular items which do have another dimension. I can well agree with the Minister for Health and Social Services that, if indeed it could be shown - and that would be the rider attached to my statements - if it could be shown categorically and without doubt that raising taxes through impôts by a certain measure would guarantee health benefits or monies that would not have to be spent on the anti-social behaviour by the Minister for Health and Social Services or the Minister for Home Affairs, then I think I certainly would be in a better position to be able to judge. But unfortunately, we do not have an economic model in front of us and we do not have any statistical information which would raise issues like the marginal propensity for consumption, which gives you a measure on how to assess that if the price goes up by a certain amount, what the benefits or dis-benefits will be, according to that particular good moving in that direction. As I say, we do not have any of that so we are unfortunately, I feel, in a bit of a cleft stick debate where there are 2 competing sides and I find myself - not for the first time I might admit - stuck in the middle wondering whether or not the spheres will tip one way or the other. I do not favour taxing enjoyment but, on the other hand, I do think it is right that if those measures of poisoning, or enjoyment, that the individual is allowed to engage in, causes a disproportionate cost to the taxpayer in different areas, to cure his ills or at least to regulate his or her behaviour because of the excess or over-consumption of that particular good, then I think we have to address the problem. But, as I say, I do not think the case has really been made one way or the other, so we are stuck here not really knowing whether or not this is a Health and Home Affairs issue, and that if we do put the monies up by whatever is proposed by Deputy Power, or indeed by Senator Ozouf, whether or not it will actually cause the effects that we are all wanting. Indeed, the only crumb of comfort I have got is from the small piece of information in the Deputy's report, which suggested that as a result of increasing the duties last time around, that the estimated amounts of money that the Treasury thought they would be able to accrue, did not materialise, but that did not necessarily mean that the drinking that was taking place, or the smoking that was taking place, or the cars that were being driven or whatever, any of those behaviours were happening any less. We cannot see, in fact, if the Minister for Health and Social Services is to be believed, it looks as if perhaps these things were engaged to a greater degree. So, as I say, the jury in my mind is still firmly out and I think on the basis of not having had the further statistical information, I think I am probably inclined, because the causal link has not been made, to side with the Deputy. Thank you.

7.2.11 The Deputy of St. Ouen:

Deputy Power and others have spoken on the scale of increases in duty and taxation faced by middle income families and I believe it is becoming a very seriously important point for us all to consider. The question I think we have got to ask is whether the proposal before us, made by Deputy Power, will provide that relief or indeed is it the preferred route of the Minister for Treasury and Resources, who has proposed and spoken much in his speech about both the comprehensive spending revue and the fiscal strategy review? Indeed, the Minister in his speech, spoke at length about the fiscal strategy review, and the review will take into account and include personal income tax, G.S.T., duties and, importantly, social security contributions. That is looking at the bigger picture. That, I believe, is the more appropriate way of addressing the real - and I underline the word "real" - concern of many individuals and locals in our Island. Equally, and more importantly, we are told again by the Minister for Treasury and Resources, that Islanders will be consulted on the options and their responses will help formulate any proposals for change, and that is what I believe Deputy Power and myself, and all the others that have spoken, can actively get involved in. The reality is that we do have to balance our books. We do, and we are required to provide services for people equally. I, as the Minister for Education, Sport and Culture, have already highlighted 2 areas which have yet to be addressed; the issue of funding of higher education and the fact that it has been devalued over many years. I ask, if we are not able to raise taxation, in whatever shape or form, how on earth am I supposed to meet those spending pressures? I therefore believe that it would be wrong to stop and not add or increase duty on the items as proposed by Deputy Power. Furthermore, I would just like to finish with the question and ask what if this Assembly did decide to support Deputy Power's amendment? Would it mean no increase? I cannot remember the exact figures, or indeed the exact year, but I know it is certainly within the time I have been in the States, which is in the last 7 years, and one particular year the Minister for Treasury and Resources of the day decided to play Father Christmas, and he proposed no increases in duty, and everybody, including all the States Members, cheered. The only problem was that the suppliers and importers suddenly came in with large increases which were used to obviously maintain their profit margins. So, let us not kid ourselves. We do have a problem. The other problem that we face is that - and I think the Minister for Treasury and Resources has raised this on a number of occasions - the margins that our suppliers and importers have got used to when one compares with other jurisdictions, that is a much bigger challenge for the Minister for Treasury and Resources others to face and deal with, and I acknowledge that this Island does have a high cost of doing business. Rents are much higher than they should be. Is the solution just to increase prices? I do not necessarily believe so. I think the solution perhaps is to put downward pressure on the costs and maybe that does mean, on this occasion, increasing duty. Thank you.

7.2.12 Deputy G.P. Southern:

The Deputy of St. Brelade, Deputy Power, might be surprised to find me standing for once on his side. In the past I have always gone along with rises in impôts duty on alcohol and tobacco for health reasons, but those were in different times. They were in times when we were not in recession, in times when we were urged to fight inflation as no doubt we should be now, but I will come back to that in a minute. What I want to concentrate on for the moment is a single word which I think the Treasury and Resources Minister used twice in his speech, which was the word "fairness". Now, I remember the strategic debate very well where I asked that we brought greater equality as a prime aim of our strategy. That was rejected by the Council of Ministers but was allowed through in a watered-down form, the words "greater equality" were allowed to stay in the text of the Strategic Plan, which is supposed to form the way forward of that which comes after; the Business Plan and the budget, which puts that into concrete form. So, what does this proposal - the proposal of the Minister for Treasury and Resources - do for fairness? Why, it is completely regressive. All indirect taxation, whether it is G.S.T., V.A.T. (Value Added Tax), impôts or duties, is regressive. It impacts most at the low end, and least at the high end of earners. So, it is regressive, it is an unfair tax. All we have to do, I think, is to look at the table very kindly supplied by the Minister for Treasury and Resources, on page 3 of his comments, where he looks exactly at

the rises, and we see rises of between 6 and 10 per cent in terms of the duty increase. Now, that is significant. The Minister for Treasury and Resources, of course, wants to put the rises of the context of the overall rise in price, and when you look at those they are significantly less. But, nonetheless, in terms of the duty these are significant rises. Significant rises at a time when the public sector have had a wage freeze, effectively a wage cut. Why? Because the private sector is also having wage freezes and redundancies left, right and centre, we are repeatedly told by the Minister for Treasury and Resources and his fellow Council of Ministers. At such a time, we decide to put up indirect taxes. But when we look, even at those illustrative increases of the average retail price, we see figures, relatively small on beer and table wine, through 3 per cent on a litre of whisky, 5.5 per cent on cigarettes, and 5 per cent of the price of a litre of unleaded petrol. If one wants to imagine the impact of that on our economy, it is not very hard, and on individuals in our economy. If you are a labourer and driving to work, do you use any less petrol than a millionaire driving to work? Depending on the car he uses, he might do. However, the price of the petrol is the same, the price of the journey is the same and it goes up, I would suggest, by the same. Regressive tax paid by each and every person on this Island, if it is transport, for their personal transport and wait for that to filter through into bus ticket prices and wait for that to filter through into the price of everything because it needs carting around the Island, on top of the rise in harbour duties that has already taken place. At a time when inflation is low, this is the first kick-start. This is the first kick-start and we will see it in the March R.P.I. (Retail Price Index) and I do not know how much that adds up to, but I would suggest it would be significant because, ultimately, the price of petrol has an impact on everything. So, it is the first kick-start to inflation again, at a time when the public sector, certainly, led by the teachers are saying: "Enough is enough; you will not treat us like this." Now let us see inflation kicking off again through the year. So, why would I support the Deputy of St. Brelade this time where I have not done in the past? Apart from his obvious reference to middle Jersey, which strikes me as is that like Middle Earth? Is it inhabited by hobbits who light their pipe, of old Shires, in the evening and their pint? Indeed, the hobbit does and is that who we are protecting, I wonder? Perhaps not middle Jersey but certainly working Jersey is certainly going to be impacted. So, why am I going to support this? Why? Because the Minister for Treasury and Resources has made no attempt, no attempt whatsoever to formulate a proven link between his tax rises and what he says are the health issues of concern. No attempt whatsoever. He has just vaguely linked them. If he were serious; if he were halfway serious about making that link, he would have used 3 words in his speech and they would have gone all the way through his speech on this particular amendment and he would have said "hypothecated" and he would have said "ring-fenced": "I will take this money and I will ring fence it behind a big fence to make sure that it goes to the Minister for Health and Social Services." No, no, did anybody else hear "hypothecated"? I did not. Did anybody hear "ring-fenced"? I do not believe I did. I will check with Hansard but they were not there. The word "fairness" was in twice because I noted it, and "greater equality" was not, "regressive" was not, "progressive" was there once about 20 means 20 but that is a totally equivocal statement because 20 means 20 is not really progressive; it is just arbitrary. So, no proven connection and all the shroud-waving in the world about what is being done, what damage is being done, what the health costs are of that damage, well, the health costs are anyway meaningless; mere rhetoric. Form the vaguest link in people's minds between one and the other but let us come to the key question; ask the Minister: "Is the Minister for Treasury and Resources really attempting to change behaviours?" Of course he is not. Of course he is not. What is he interested in? If he was being truthful with you he would say, straight up and down: "£4.25 million; that is what I am looking for" and to prove it he said: "Anyone who stands up here and argues for this amendment should come up with the answer; where can I get my £4.25 million from?" Well, here is a little parlour game for the whole House; I suspect we are in serious danger, for the first time in a long time, of defeating a Minister for Treasury and Resources on one of his propositions. There is a serious risk for those of you who are feeling bold and adventurous about party games, it is a good season to play party games. Dare I suggest that you could defeat the Minister for Treasury and Resources twice in the same day? Once on this one; £4.25 million and

once on Senator Breckon's amendment, which is coming up; which produces approximately £4.9 million. So, how about that for a nice party game; 2 in one? It is better than pass the balloon. [Laughter] Well, I think so. Why should we not do that? Because in his comment on Senator Breckon, and I will just go there briefly, to return immediately on the topic here, the strongest comment the Minister for Treasury and Resources makes, is although there is an opportunity to raise additional revenue, the Minister believes it needs to be properly considered. So, if I would have thought it first, and I had warned people, I would have done it myself. So that was not a very hard one. We can do that one later; £4.9 million and we have topped the pot up. So, there is where your money is coming from; that is what I suggest and this House has it within its remit to do that today. Okay, that, I think, is all I have got to say apart from to say that while the Minister for Treasury and Resources couches all his statements in words of moderation, in words like "modernisation", and words like "efficiency" and "efficiency savings" and "strategies" what he has done is he has boxed us into a corner. What we have got here are some tired old strategies from way back when: "If in doubt, raise impôts and raise duties." There is no new thinking going on here even though the time for new thinking is already on us. Not in 6 months' time, not in 9 months' time: "Do not do anything chaps, because I am researching everything, from how many paperclips we use through to how many chief executive officers we have got and how many we need. There are major changes in the offing and in the meantime I am just going to do this." There has been an attempt to back us into a corner so we cannot do anything because everything is about to be reviewed. Well, that is not good enough. This House has the opportunity to say no, to vote for the Deputy of St. Brelade's amendment and then to follow that up by voting for Senator Breckon's amendment and there we are; we are quits. In fact, we are a bit up. That would do it. That would do it; let us do it.

7.2.13 Senator F.E. Cohen:

I am sorry to find myself in a position of having to oppose an amendment of Deputy Power. I have great respect for the Deputy. He sits on my Planning Applications Panel and we have worked together on many projects, including the delivery of shared equity housing; the delivery of which he was responsible for successfully concluding. However, that is the end of the praise and I must oppose him on this amendment. I will speak only on the Deputy's proposal to stem the increase in fuel duty. The proposed taxation is part of a package to allow the continuation of environmental initiatives and while Deputy Southern has stated that there is no hypothecation, there is certainly notional ring-fencing and an intention to link the 2 proposals; the proposal for new taxation on environmentally negative actions and using the money for environmentally positive initiatives. Should this amendment succeed, it will likely mark the end of the Environment Department's Home Insulation Scheme for low income families after the end of this year. Fuel duty proposals will raise around £1.5 million; much of which will fund the initiative in the coming years. This would be a serious loss and demonstrating we are serious about environmental issues and reducing our carbon emissions is vitally important. One third of the energy we use in the Island is generated in our buildings and the energy efficiency programme, which this House agreed to fund last year, will have insulated around 500 homes by the end of the year, bringing warmth, improved economy and improved living conditions for many low income families. This has been effectively a joint initiative with the Minister for Social Security, for which I am most grateful for his support.

The Deputy Bailiff:

I think we just heard it, Senator. [Laughter]

Senator F.E. Cohen:

The sole support, by the sounds of it. The most direct environmental linkage I can think of is charging the burner of fossil fuels and notionally applying the proceeds to lowering the Island's carbon emissions. This is exactly what the Minister for Treasury and Resources' proposed taxation will do if the money is applied to the Loft and Home Insulation Programme. I am quite certain that

our environmental credentials are becoming just as important as our fiscal credentials. Responsible financial organisations such as Standard Chartered are already testing the environmental credentials of the places in which they do business and this trend is likely to continue and, undoubtedly, will potentially increase over the years. The Home Insulation Initiative for low income families is one of the first tangible demonstrations of our commitment to put public money into reducing our carbon emissions and has many multi-benefits, as I have outlined. Last year this Assembly agreed to the principal of providing £1 million of pump-priming cash to start this initiative, but it was always made very clear that if it was to continue a source of taxation funding was needed to be found and that is exactly what the Minister for Treasury and Resources has delivered in his budget. I therefore urge Members to reject this amendment.

7.2.14 Senator B.I. Le Marquand:

My speech is a mirror image of that of Senator Cohen because I am going to speak only on the subjects of the alcohol duty and the duty on cigarettes. Although I have considerable sympathies with those like Deputy Power and Deputy Southern who expressed concern about cost increases which are regressive and which apply across the board, such as those here, because they penalise and affect the low paid and particularly those who are low paid and above income support... although I have considerable sympathies with that position and think that that is probably the best argument against the increases, in the areas of alcohol and cigarettes, which relate to serious public health issues, I have no doubt that the public health issues are so serious and so important that responsible government must take action. I shall therefore be supporting these proposals on health grounds, irrespective of any financial issues. In relation to alcohol, I have taken a professional interest since the days when I was a young advocate 30-odd years ago. I quickly realised the damage that was being done to the community, to individuals, to families by reason of excessive alcohol consumption. Through my contact with the Jersey Council on Alcoholism I came across the international studies 30 years ago which showed that there was a direct link between alcohol consumption and the measures of damage caused by alcohol, indeed, all the measures of damage caused by alcohol, whether it was individual alcoholics, whether it was drink-driving matters, family breakdown due to drink-related issues, public order issues or injuries and accidents caused due to alcohol. As the years have gone by I have seen further studies and they all come to the same conclusions. There is a direct, arithmetical linkage between the problems which are caused and the consumption of alcohol. Indeed, these are conclusions which our own Medical Officer of Health has in recent years written about and expanded upon and produced a wide range of information in order to support this. This is not new. I have known about this for more than 30 years and I am somewhat surprised to see that Deputy Duhamel says that the science or the links are not clear in relation to areas like this. I may have misunderstood him; he may have been talking about the links between price and consumption, which I will come to in a moment. The fact is that we as a responsible government have an absolute responsibility to reduce alcohol consumption across the board in our community. This is not being a namby-pamby state, this is not 'mother knows best'; this is responsible government. We cannot ignore the facts; we cannot ignore the harm which has been done and which is still being done to our community through this. We have attempted, in the past, to reduce alcohol consumption through education. We have thought and often the cry went up: "Do not increase prices but do it for education." Well, frankly, that has not worked. There have been no signs that education has had any significant improvements in terms of changes. We still need to educate young people but do not expect them to learn through this process in this area because we have a deeply embedded culture of heavy drinking in our society, something that is historical, something which has gone on for years and which is passed on from generation to generation. Now, in addition to the worldwide studies in relation to the linkage between damage done and consumption, there are also studies which demonstrate that there is a direct linkage between the cost of alcohol and the consumption. As the cost of alcohol increases, so the consumption goes down. There are many studies, this is not rocket science; this is well known that this is a fact and you can see this in various different studies which have occurred. Therefore, the

only effective way of reducing consumption is by increased price and the only method open to government at the moment in relation to increased price is increased taxation. I hope, as part of measures that may come out in relation to a new policy and the Licensing Law, that we may also see such measures as minimum pricing because that is also another issue which has to be looked at in this context. Now I want to speak about the red herrings that float around in this particular sea. The first red herring which is currently raised is this: "Well, alcoholics do not respond to price. People who have got a drinking problem will always drink." Well, the fact is that people do not become alcoholics overnight. They in fact are not born as alcoholics normally, and they do not suddenly become alcoholics. To become an alcoholic they probably have some predisposition, some weakness in this area but they also have to consume regularly above the safe limit for years before they arrive at that point and the whole medical logic of this is partly this; that if we can produce a situation where the average consumption goes down, there will be far more people who are no longer drinking over the safe limit and who therefore will not develop full-blown alcoholism, *et cetera*. So that red herring, frankly, sinks without a trace. The second red herring in this argument is this very interesting new red herring called pre-loading. Now, I am surprised that some of my best political friends this afternoon have swallowed what has come down; the unlikely information that has come down from the alcohol trade in this particular area because I really am struggling to understand the logic of this. I know that some people drink heavily before they go out and that is one of the reasons why the problem of law and order is such a difficult one but what on earth has this got to do with tax increases? How can it rationally be suggested that tax increases would increase consumption at home as opposed to consumption on licensed premises? Let us look at some simple arithmetic. Let us say hypothetically that a drink bought from an off-licence costs £1 and that the increased tax is going to be 10 pence. Well, the mathematical result of an increased tax will be an increase in price by 10 per cent; £1 to £1.10 so let us look at the same drink in the context of a pub where the price is £3 and there is an extra 10 pence. The price then goes up to £3.10 so an increase of just over 3 per cent. Now, how can it be a logical argument that an increase of 3 per cent is going to drive people away from premises in favour of an increase of 10 per cent? That, arithmetically makes no sense whatsoever. What I would concede and I do accept because I am no enemy of the licensing trade, I would concede and I do accept that it is preferable that people drink in a controlled environment rather than at home in an uncontrolled environment, but this argument has nothing whatsoever to do with price increases, as the arithmetic, which I have said, amply demonstrates. I come now to the law and order aspects, and the law and order aspects are very real but they are subsidiary to the main point in relation to the health issues. I have already talked about the direct relationship between price and consumption and a direct relationship between consumption and law and order issues. When we talk about law and order issues we are not just talking about people who get drunk at night time, as part of the night time culture and who commit offences. We are also talking about a much wider range of issues; we are talking about domestic violence issues, much of which are drink related with people drinking in the home, we are talking about drink-driving issues which can occur either at night time or in the day time. The fact is that the criminal justice system is very expensive. I think that many of the Members of this Assembly were very surprised to find out what the costs had been in relation to the recent Warren case. I can assure you the criminal justice system is very expensive. The costs of policing, the costs of courts, the costs of prisons or probation departments; all these are very expensive issues and these are very often ignored when we are looking at issues to do with pricing of alcohol or taxation and so on. The fact is there are spin-offs in terms of misbehaviour by people which are very expensive and we should bear those factors in mind. The medical costs are very expensive; the accident and emergency service dealing with people who have fallen over because they were drunk or have gotten into car accidents or whatever but also the much wider medical costs of dealing with people who have liver failure or cancers or all the other issues which arise. These are matters which have got to be taken into account. So, there it is; my primary motivation in supporting the original proposition in relation to the alcohol issues and cigarette issues are health issues. I want to deal more shortly, more briefly, with cigarettes because this is not so much an

area of my own expertise but, nevertheless it seems to me that the argument - the health issues - are very similar. Here we have an area of public consumption of cigarettes which directly leads to major health issues and it is very often overlooked that these major health issues are not just things like lung cancer. There are people who live with emphysema for years and require considerable amounts of care and whose life quality is destroyed or substantially damaged through smoking. There are also people who suffer chronic heart conditions. I certainly knew within my own church a lovely man who has lost 5 to 10 years of his life where he was radically damaged and the quality of his life was massively decreased by a heart condition which was directly related to his smoking. This is where I am going to stop because I hope that I have made the arguments very firmly in favour of health issues and if those alone are to be sufficient, there are also financial issues. In fact I am not going to start ... I have another page of notes. I apologise for the false alarm. I am now going to talk about finance and I want to talk about this in general terms. We know that we are going to be facing a tax hole in 2012. We do not know how big that hole is going to be but we know that we are. We also know that the States, in recent years, have continued to increase expenditure. In fact, we have done so this year in a number of different votes, all for very plausible reasons. The Minister for Treasury and Resources has spoken of the fundamental spending review. We need to find further savings where we can but this is not going to be easy because, as it is apparent to those working within the system, that we have had a series of spending reviews over the years and it is becoming increasingly hard to find general savings but this we must do or they will be limited. The fact is that we are going to have to increase tax in 2012. The money which has been put aside is running out. This is an unpalatable truth but this is the reality of the situation. Now, it is my view that the majority of the general public and many Members of this House are in a state of denial about this. They want to somehow pretend that we can magic all these savings, we can somehow reduce our costs: "We will be very good in future and we will not find extra things that we want to do and there will not somehow be this tax hole." That is pie in the sky. The reality is we are going to have to find increased monies and that is a hard reality but it is the truth and we need to get that message out to the public as soon as possible and we need to stop being in denial of it ourselves in this House. I have listened to some of my best political friends talking about these measures. I am afraid that, as nice though they are and much that I like them, I have come to the conclusion that some of them are still in denial. They want to have their cake and eat it. They want to have their increased expenditure but they do not want to pay for it. Well, I am afraid that is not going to be possible in future and that is also an argument, perhaps my poorest argument, if I may put it that way, in favour of voting against the amendment. Thank you.

7.2.15 Deputy M. Tadier:

I am pleased to follow the Minister. I thought the last point was perhaps the best point but I will maybe come around to that shortly. First of all, I congratulate Deputy Power for bringing this amendment. I am surprised we have not heard the usual platitudes that this is a well-intentioned amendment: "... but unfortunately I cannot support it on many grounds." It is a well-intentioned amendment but it is also a good amendment and I believe it is also the correct amendment. The strength of this amendment, I believe, or one of them is that there are so many reasons to support it and so many reasons that we can do so with a clear conscience, knowing that we have done the right thing and it is perhaps right to reiterate some of those points. I think, before I do that, it is quite important that we put to bed this myth that this is something to do with health and looking out for people who smoke and drink. In fact, that is not what it is about today. I think none of us are so naïve that we believe that this is purely about raising revenue for the Treasury. I think everybody knows that here. Simply it is being made more acceptable to us by putting this label on it that we are doing something right for people who smoke and who drink. Curiously, it just so happens that we also need some revenue at the same time. That is why, while I listened intently to the Minister for Home Affairs, giving his speech, I think that it was slightly misplaced because this is not really a debate today about the rights and wrongs of smoking and alcohol. We all know that alcohol in particular has a great pernicious effect on our society. It does a lot of damage in many ways, not

just health-wise but also indirectly in the secondary effects that it has on families. But we are not here today to put the world to rights in that respect. It is far too much of a vast subject for us to be able to solve in one afternoon sitting, I would suggest. So, first of all, this is a Trojan horse. I do not know if that term has been used already today but I think that sums it up. The reason it is a Trojan horse, as we have already said, is because it is not about solving health problems; it really is to do with raising revenue. Now, I was quite interested to read the comments from the Minister for Health and Social Services and we are provided with a graph and I think this is partly what the Minister for Home Affairs was coming with. If we see on the graph that Jersey is top of the list for consumption of alcohol; it is right at the top, starting off in 2000, where, *per capita*, people were consuming 17 litres of pure alcohol per year and at 2008 it stands around 16,000. That is right above other jurisdictions like Ireland, the U.K., Canada and we have Sweden right down at the bottom. But the point is it is always difficult when you look at the graph. It is fine to say that there is a linkage between the consumption of alcohol and illness and those kinds of things - or wealth - but as soon as you try and put causation into the equation, it becomes a lot more difficult. Anyone who studies statistics will know that correlation does not imply causation, which, in layman's terms means that there could be more than one reason for correlation. If I give a simple example, and it is maybe not necessarily the first one you would think of is probably the best way to say it; you could take a geographical example and say everybody who lives in a certain area, let us say everyone who lives around this mountain seems to live for a very long time and everybody who lives in another section who lives by the river is dying younger, therefore we say anyone who lives by mountains is going to live a long time and anyone who lives by rivers in general is going to die young. Obviously, that is nonsense because we know that there are other causative factors which cause those deaths. It could be to do with diet, it could be to do with environment. So, again, we are not going to solve these issues today. What is very interesting is we had earlier in the year, under a previous Minister for Health and Social Services, a very good presentation at the Radisson, I recall, about the situation in Scotland. It was entitled 3D; to do with drugs, drink and, I think, deprivation or maybe it was dependency and, interestingly, on that occasion, we were told that it is to do with deprivation so it is poverty which is causing people to drink whereas in Jersey we know that we do not have the same level of poverty. In fact, it is the opposite way around. It is because people are so wealthy in Jersey that they can go out and drink. So, which one is it? In fact, people will drink, I think, no matter what the reason and if you ask a different commentator, you will get a different reason for why people drink. We heard today, earlier, from one of my colleagues that he thinks people are driven to drink in Jersey and that may well be the case but they could be driven to drink in many places. So, I think, if we are trying to put down the underlying causes and say that if you increase duty on beer, on alcohol, whether that be from an off-licence or in a pub, it is not going to do it. We really need to tackle the underlying causes of the drink culture, which is more pronounced in Jersey but ultimately is an Anglo-Saxon phenomenon. We see it in Britain and we see it to some extent in the U.S. as well. So, I believe that this is not the real reason to do it and it is a myth. The second point I want to pick up on is this idea of hypocrisy and I believe it has already been brought out in Deputy Power's opening speech. I will simply quote Henry Ford, to start off with, that great U.S. industrialist who said that: "You cannot build your reputation on something that you are going to do." I think we are being told here by the Minister for Treasury and Resources: "It is okay; we are going to get our spending under control. We are going to have a comprehensive spending plan." The public, to be honest, and I do not question that and I am sure the Minister for Treasury and Resources has the best intentions and I am sure, or at least I hope that there will be some demonstrable fruit. The point is we need that to be demonstrated now before we go before the people of Jersey and say: "We want you to pay more taxes, more indirect taxes" and it will affect the majority of people in Jersey. We do not all smoke but we do all enjoy the occasional tipple. We do like to go out, we do buy the occasional round of drinks for people and we all do drive cars. The point is I think people in Jersey are saying: "Enough is enough. I want to see the savings first, then you can come back to me and that is fine. If you have demonstrated that you have managed to have efficiency savings which do not cut services, then I am willing to put my

hand in my pocket and do my part.” Simply, we have got the cart before the horse here and I think, also, we have all had different opinions in the House about taxation; about the pay freeze as well. But I have spoken to many people outside the House today and yesterday who supported the pay freeze in good faith because they were told it was what we needed to get our spending under control. We know that the private sector also have taken a relative pay cut in some cases. They do not have job security like the public sector do and those Members backed the pay freeze on the understanding that there would not be any above inflation increases and now we are being told that people who are on the receiving end of a pay freeze - in relative terms, a pay cut because we know the cost of living is not at zero - these people are being asked to pay more for the privilege of living in Jersey which is, I would suggest, the real reason that people are turning to drink. So I think the message to the Minister is let us get our House in order before we turn around to Jersey people who are fed up with G.S.T., with 20 means 20, only to come back and be asked for more money. I think this is not acceptable and I think that is something we can support on all sides of the House. Deputy Southern already addressed to a certain extent this way, we are told that: “There is going to be £4 million that is required. Deputy Power, you need to demonstrate where that money is going to come from.” Well, in fact I think if the Minister would listen, there would have been no shortage of suggestions from certainly this side of the House but even other Members. We heard one earlier from the Deputy of St. John about taxing bottled water... but certainly that would raise it within itself. But there are other ideas such as capital gains taxes, for one, raising or completely lifting the social security cap which would easily raise that figure. There are lots of ideas but simply the Minister will not listen to anyone on this side of the House, I believe. Also, I think Senator Le Marquand, I had to agree with him, that there is an underlying issue we need to grasp. There is a nettle that needs to be grasped because there will be a deficit and simply a tweaking at the edges with impôts duty on fuel and cigarettes for hard working Jersey people who may be disposed to having these *soulagements*, if I can use the French word, is not the way forward. I am coming to the end as I understand Members will be wanting still to speak. I would really just re-emphasise that if we are going to vote against the amendment on the basis that we are doing it for health reasons and that effectively user pays, what we need to be doing is coming back to the House with a real cost benefit analysis and saying: “What is the benefit in economic terms of duty on fuel, on tobacco primarily and also on drink? What does it cost for people to be treated because they are ill and they die directly because of drink and because of smoking? What is the difference between that? Who should pay for that in society?” If there is a difference, is it right that we make a profit from people smoking, as a government, that we make a profit from people drinking or even, as it is probably conversely, is it right that society picks up the bill? That is not a debate for today; this is a debate which needs to be taken another time. I will simply close by saying that it is middle Jersey which are being hit and during my surfing on the internet, and I read many different sources, often ones which I do not agree with, and I came across quite an interesting local site which is called the Clameur de Haro, which is a slightly rightwing site but a libertarian site. I only stumbled across it the other day and some interesting things to read, most of which I did not agree with but a very interesting quote, I think it is from Thomas Jefferson. To paraphrase he said that in a tyranny the people fear the government but in a healthy democracy, the government fear the people, and I think that does not apply to Jersey quite yet. But what I would say is that we are in a situation where the people of Jersey have contempt for the Government because they know that we do not speak for them. We do not speak for middle Jersey, we do not listen to them and I hope it is not the case that the Government has contempt for the people. So I would say and interestingly, part of the Clameur de Haro goes: “I have been done wrong, my Lord” and I would simply commend Deputy Power’s amendment to you because I believe, without the amendment, we are doing wrong and this is simply a way of correcting that wrong.

7.2.16 Senator A. Breckon:

I must say, when I saw the original budget proposals I thought they were perhaps a bit harsh. It is a significant increase between 6.2 and 9.8 that has been proposed, and when I saw Deputy Power’s

amendment I thought again, no increase, I had some difficulty with it and there is some ground in the middle. Unfortunately, we do not have that choice but perhaps it could have been 3 per cent but nobody did that and that is maybe because the time ran out. The other thing with the original proposal, of course, it will add to the retail price index of about somewhere between 0.5 and 1 per cent, so I think there is some serious tension between the amendment and the proposals of the Minister for Treasury and Resources. I am a little bit disappointed in not the first speech of Senator Ozouf but the last one he made because I think he has missed an opportunity because he knows and I know that there is some considerable margin in Jersey between Jersey and the U.K. If you strip out the duty, the impôts, the V.A.T. and the rest of it, and in the budget book it gives some sort of generic comparisons at June 2009 and a litre of whisky - this is on page 27 - a litre of whisky, after all the duties, *et cetera*, have been taken out, in Jersey it is £7.51 and in the U.K. it is £4.40. So, where has that £3 gone? Where has the £3 gone? Similarly, for a pint of beer, again, after you take out all the duties, *et cetera*, in Jersey it is £2.54 and in the U.K. it is £2.01 so there is 50-odd pence there difference. But the reality is, if you go to most cities throughout the U.K., you can buy branded beers and lagers for between £1.20 and £2 most days of the week in the High Street in the cities, in the towns and that includes areas of London as well. So that is really where we are. Cigarettes are worse; in Jersey, if you strip out the duties, the price is £2.13 and in the U.K. it is £1.15 so that is nearly £1 difference on a packet of 20 cigarettes. Senator Ozouf knows this; we have been looking at this since 1996 or 1997. There are some real, real differences there and the same with petrol. There is about 7 pence a litre difference between Jersey, higher than the U.K. and these are generic prices. In the U.K. there are prices that are less than that. So that is really where I have the difficulty and I understand where Senator Ozouf is coming from. What he is trying to do is squeeze that particular market because if that is there, and I think it is mentioned elsewhere, if you went to duty parity between Jersey and the U.K., then why would a packet of cigarettes be £1 more expensive in Jersey than they were in the U.K.? I do not believe by putting a symbol on a packet of cigarettes, it makes that much difference. It cannot possibly cost £1 to put something on a packet of cigarettes. I know exactly where the Senator is coming from when he says that. The other thing, of course, if you look at duty free, you can buy 2 litres of spirits; whisky, Bacardi, whatever you want, really, for about £15, so that is another market. So, again, somebody else mentioned, I forget who it was, that if you take out the duties on this stuff, how much is it worth? The answer is not a lot. Not a lot with most of these things. So that is really where we are. Then it comes to why are we doing this? Is it the health issue? Is it to raise revenue? Where are we putting the pressure on and what is exactly going to happen? I have some concern, I have another amendment but the intention of my amendment was not for this to be a fall-back position were this to be successful. The reason I say that is I did have something in mind. Not today or tomorrow but in the future I could come back and say: "Well, I am not just about spending money; I did suggest a way of raising it." If the House rejects it, that is another issue but I was coming on to that. So I would be not best pleased if that was taken away from me by default, as it were, and it is not about anybody winning or losing; it is about, hopefully doing the sensible things. The other thing that I have a real fear of is a manufacturers' increase because I have seen on beers and spirits where it has been 1 pence or 2 pence here and when it comes out then there is the annual January thing after Christmas and this comes out at 10 pence or 15 pence on a packet of cigarettes or on a pint of beer or whatever it is. That is more inflationary than the duty element. Now, there may be issues where Jersey is a very expensive place to operate. It is a small market and all the rest of it but we have never had that discussion, that inquiry, that debate and that concerns me and I am sure the Minister for Treasury and Resources and I are at one on this, that that needs to be done, whatever the outcome of this debate. But, having said that, I am not sure that the duty increase at this time is the right thing. I am in a bit of a dilemma here because I have a vested interest in that I have another amendment and I do not want it to succeed by default because somebody says: "Well, it is okay, we can do that but then we will have it back." But there are some real issues and what concerns me is the size of this, the near 10 per cent in one instance and if you put it on fuel then it filters through into transport costs; taxi charges - dare I say - and other things

that will be coming back. The price of petrol does fluctuate in diesel but that is governed by things outside but also the internal market, so I am still undecided and I will wait and see, I think. But I do have that dilemma of which is the right way to go. I understand exactly where the Minister for Treasury and Resources is coming from and I see Deputy Power's point and it is a shame that there is no middle ground because I think, perhaps, that would have been the way to go and I think somebody else mentioned when, there was a case in the past, when a Minister for Treasury and Resources or a President of Finance and Economics, as it was, did not propose any increases in impôts, everybody went: "I know where I can get some money; I will propose it myself. We will have television licences, something else and we will put tuppence on beer." That happened because when the President of Finance and Economics - it was probably Senator Le Sueur telling me - did not do it, everybody went: "I know where I will get in here; here is the opportunity." So it is darned if you do and darned if you do not. I hope that has given Members something to think about when they do vote and I am sure they will be able to make sense out of that and vote the right way.

The Deputy Bailiff:

I would like to advise Members that I have 9 Members wishing to speak so far and there may be others and if it is possible, to finish this particular amendment today, I am sure that would be something that all Members would like but I do not wish to curtail debate in any way. Senator Perchard.

7.2.17 Senator J.L. Perchard:

I take your point. There were many things I wanted to say that have already been said so I shall not repeat them. I do want to say one thing about a government that proposes nigh on double figure increases in tobacco and fuel and 6.2 per cent on alcohol, the same government that has invested heavily in promoting duty free at the Jersey Airport. I think Jersey Government, if I remember rightly, spent over £1 million in their part of the refurbishment and so we have got an opportunity to buy duty free when we leave the Island and we have got an opportunity to buy it as we return. I find that a bit cynical, really. So, to pretend that this debate is about health issues is false and I ask Members to disregard that and I will tell Members why. If we are serious - and I did spend some time discussing this with officers when I was at Health - about recognising the evils of alcohol and what it is doing to society, the way to deal with it is not to have cheap imports at Jersey Airport and tax everybody else; the way to deal with it is to have a minimum price for a unit of alcohol, whether it is sold in a pub, sold in an off-licence or sold at Jersey Airport. We cannot drive our pubs out of business [**Approbation**] so that we can bring in plastic bag loads of alcohol through Jersey Airport, no. This proposition... I said to Deputy Power the other day that I wish I had the opportunity to vote on the 3 slices of his proposition but I will have to take this on the round and I will explain to Members why I will be supporting the Deputy, because there are 2 areas that I will support and one - the tobacco one - I would have supported the Minister for Treasury and Resources. We have got G.S.T. biting, a recession hurting, we are proposing nigh on double figure increases so the R.P.I. will bash people even harder. It is not just middle Jersey, whoever they are, it is everybody. It is lower income earners, it is business, it is people trying to start on the property ladder, it is emerging business. This will filter straight down into the grass roots of our economy; these increases. They could not be designed to get there quicker. Times are hard out there and the Minister for Treasury and Resources, in my opinion, with this proposition proposes to suck more of the disposable income out of peoples' pockets into government, into the government coffers where, once it arrives, it will have little economic stimulus value. I say, allow people to spend their own money, where practicable, on their local economy, stimulating, buying services and generating the cash merry-go-round. Do not suck it into government where it will perish and have no or little stimulus value. The hospitality industry also needs our support. It is nearly on its knees. What a time to kick it; put the Treasury jackboot on the throats of the hospitality industry. No, it is not the time to do it. It is time to show support for the hospitality industry. Similarly, the construction and retail industries; they need our support as does the agricultural industry. Let us not start putting

fuel prices up to double figure increases in fuel prices. You know, 9.8 per cent the Minister proposes; what a time to be doing it. Our businesses need our support, not new taxes. This proposition, as I said and has been said, is not about change of behaviour; it is about raising more money. Fuel is about £1 per litre at the moment, with oil trading at 75 dollars a barrel. When, as sure as tomorrow will come, oil shoots up in price again, what will our businesses be paying at the pumps? I am skipping through my prepared notes because I do know much has been said. I just wanted to say something about the Minister for Home Affairs' passionate plea about the links between alcohol consumption and law and order. He is right; there is a direct relationship. There is absolutely no doubt and I have to just remind Members that the way to deal with excessive alcohol consumption is to have a minimum price per unit. Let our Council of Ministers get around, crack-on with this and say: "We cannot sell, whether it be in the Co-op or the corner shop or the pub, you cannot sell a price per unit below X or Y." That is the way to deal with excessive alcohol consumption; not bring it in by the wheelbarrow through Jersey Airport duty free and push our pubs and off-licences out of business. I am passionate about this. We have got it wrong and I am not sure the Minister for Treasury and Resources has invited everybody to say where this cash will come from to replace this but I suspect, and I do not have any figures to back this up, but the damage that this proposition - this proposal of the Minister for Treasury and Resources - will do to our economy could be far more significant than the short-term gain of £4 million.

Connétable L. Norman of St. Clement:

Could I give notice that in 30 minutes I will propose the guillotine motion, Sir?

7.2.18 The Deputy of St. Mary:

I think we are caught between the devil and the deep blue sea. I certainly feel like that and I am still not decided, rather like Senator Breckon. On the one hand we have the calls of many for a progressive taxation system and amen to that and this is of course regressive - the original proposal, not the amendment - and we have heard from the proposer of the amendment that the Constable of St. John is not supporting any more taxes; he wants a fairer tax system, all paying the same rate and he listed the places where we should go; 1(1)(k)s and social security and a review of the public sector. Well, of course and all that is right and proper and the F.S.R., the review will hopefully take that on board - and the Minister for Treasury and Resources has left but I hope that he does take the feelings of the House on board - that we have to have a fair taxation system. So, that is on the one side and then on the other, if one is to vote for this amendment, I would feel quite bad about that, because the amendment is so full of holes and the case is so full of holes, unless the proposer goes back on some of the things he said, I would be very reluctant to go with him and I will explain that. The first thing is savings and the Minister for Home Affairs pointed this out very well; there appear to be savings lying about, just for the taking: "£4.25 million; we can just save that any time" and I do not believe this is so. I believe that in fact we have been saving for years, cutting, trying to get the fat off the budgets of departments and I am not sure that these savings exist but the proposer did suggest that they were lying around to be had. In fact, the spending... we have real problems with our spending as a result of past neglect so the hole is bigger than we are being told. That reminds me of the 1996/97 business with the price differentials between Jersey and the U.K. That is astonishing and if we have known that for so long, how come we have not tackled that issue? That is by the by although it is relevant to the debate because there is the fact to be taken. Another issue that the proposer mentioned was Housing and he said how wonderful Housing was because they were handing money back to the Treasury. Well, the problem is, of course, that the review found that Housing were in serious financial problems and are millions and millions out with their spending and their maintenance and so on; well over the £24 million a year that apparently they are giving back to the Treasury. They are over £100 million out, so how he can drag that in, I just do not know and I do find using those sorts of arguments in this debate really troubling because it is not so. There are reasons for raising this money, and I will come to those later, but first a few points of detail; well, not really detail. He mentions the Jersey Hospitality Association, and Deputy

Green spoke very strongly about them, but I would suggest to Members that there are far bigger factors at work in the 6 per cent reduction, for instance, last year than the price of the beer in the pub. I really do not think that is why people come to Jersey. I do not think it is a pulling factor and if there is 10 pence on that beer in the pub, it is not going to matter one way or the other to a German visitor who is coming for the beauty of the Island and they are coming for the heritage and they are coming for super food; they are simply not coming for that 10 pence, I am sorry. In fact, tourism could easily... well, not easily, but they could explain the fact that there is now parity or near parity by saying that ... well, it would be slightly difficult: "We had to deal with our drinking culture." But anyway, we will leave that with the marketing boys to slide over but, anyway, the point is that that is neither here nor there. In fact, Deputy Green shot his own case in the foot when he pointed out that inflation with the raw materials, for instance, food, the staples of the catering trade was running at 20 per cent and there is the issue, as well as of course transport costs and so on and competitive jurisdictions. I just wanted to shoot that particular part of the case, hopefully, down in flames because I do not think it stacks-up. People have mentioned pubs closing. Now someone has pointed out to me the business of driving to the pub and then driving home again; that may be a factor as well. It is a matter of different factors and, again, I am not sure that this duty rise would be a factor in the hospitality industry and in the pub industry here. I am not sure it would make that critical difference. So, again, the case is not as strong as it maybe sounds when in the hands of an orator like Senator Perchard. I am not at all sure that it sticks. On tobacco, I have seen the comments of the Minister for Health and Social Services and I would just remind the House that, according to her comments, in the last 5 years, for 14 to 15 year-olds, the incidence of smoking has gone from 35 per cent to 21 per cent. That is a terrific turnaround. We should be patting ourselves on the back and hoping, as the Minister did, that it will continue. So I ask the proposer whether he really does welcome this fact, welcome that decline and, therefore, welcome the continued pressure on tobacco so that we continue to reap this benefit; "we" being the community at large and also the States in its expenditure at the hospital when we have to pick up the pieces afterwards. I think again that the case is not so well made there. Finally, where the money would go. Again I have real problems with this. I do not like regressive taxation but on the other hand we are trying to raise the money for Health spending, the staffing and the respite care within Health and the environmental benefits which the Minister for Planning and Environment spelt-out; the fact that we have already spent a fair sum of money on insulating the houses of people who are really quite not well off. Hopefully that programme will be extended if the pollution tax of the fuel element goes through. You either say that that is a good thing to transfer that spending. By the way, Senator Perchard was talking a certain amount of nonsense I think when he said that if you take the money out of people's pockets then suddenly it disappears from the economy. It does not. If you transfer it to a home insulation programme, that money gets spent. It gets spent with building firms going up ladders into lofts and putting in cavity insulation and of course they then have income and then it spends out sideways. I am sorry, that does not stick either. The House has to decide whether it wants these expenditures or not, whether it wants the respite care when in fact it is voted for, is it not, and whether it wants the home insulation programme and whether it wants the sustainable transport policy. Part of the funding would go into that which is fairly logical from the fuel. But I do have a problem, however, with this business of taking it all from the motorist and the fact that it is not a hydrocarbons tax in general going towards such things as home insulation. I am hoping that part of the spending review and part of the fiscal review will be to make sense of green taxation, of taxation on pollution, taxation on waste, for instance. It is absolutely crazy that no matter how much rubbish you put in your bin you pay exactly the same through your taxes. Issues like that have to be addressed. But it is down the line, is it not? But I just want to impress on the Minister for Treasury and Resources that we have to look at this in the round. I am just worried about we just tax the motorist here and it is not comprehensive. We do not have an environmental spending plan. We do not have priorities. It is all very hit and miss. I am not happy on that side either. It is a real devil and the deep blue sea... But going back to the amendment. If the proposer can unsay some of the things he said about: "Oh,

there are some savings. It is easy. We do not need the £4 million. We will find it somewhere else” and the other thing he said about housing. I just find some of this very hard to take and also about tobacco. I wish he had done it in 3 stages as well so we could have voted separately. I do find that very difficult to take. I just leave it there. It is a confused speech but there you go. I think it is a difficult one and I am still waiting for the proposer to sum up.

7.2.19 The Connétable of St. Brelade:

I am always pleased to encourage democracy in my Parish. As such I will be speaking against the Deputy’s amendments and also that of my other Deputy. No one likes to introduce or have to pay new or more tax. However, funds are needed to address environmental issues. We need to address the amount we recycle. We do not have enough money in our budget to deal with the current consumable materials the require recycling. An ongoing funding stream is needed to ensure that not only we can cope with the current recycling levels but also to enable us to promote and facilitate an increase in recycling so that we can reach at least our target of 36 per cent. It makes sense for environmental taxes through impôts to be raised to fund these issues. We also need funds to develop sustainable transport initiatives. My department is currently working on developing a sustainable transport policy for Jersey and I know and it has also been pointed out to me on several occasions by the public and States Members during the consultation process that the only way for this policy to succeed is if there are viable alternatives to private car use. We need money to develop initiatives and facilitate these alternatives. In the States Strategic Plan agreed earlier this year, one of our 16 priorities we agreed to was protect, enhance our natural and built environment. Drill down further into the plan and it will say implement a range of measures to reduce waste, energy use, pollution and traffic and persuade people out of cars by providing practical alternatives such as improved bus services, cycle tracks and footpaths. We have made our commitment clear to the public and now we must find the funds to make them happen. It is interesting to note that the public response to our initiatives so far numbers some 1,200 responses and I am very pleased with that. Since the approval of the solid waste strategy in 2005, significant progress has been made in developing recycling and more sustainable approaches to managing waste. Many of the objectives set in this strategy have been met and the recycling growth has been kept on track until this year. The easy wins have been achieved and the public support gained but the next steps need more capital investment and improved revenue funding. More recycling is definitely possible but as we are a small Island this comes at a cost. Reliable ongoing funding is required for growth. The extra £500,000 provided as a one-off in 2009 has allowed the key recycling schemes to continue but without ongoing funding from 2010 we will have to operate to the original budget which will mean unavoidable cuts to the service. This would mean tough decisions would have to be made. Most of the following actions will need to be seriously considered: withdraw 50 per cent of the recycling bin sites reducing from 14 to 7, cap paper and cardboard recycling which means incinerating from the middle of 2010. We could not recycle materials from the planned new Parish kerbside collections. We would have to close the public green waste facility or greatly reduce opening hours. We would have to suspend the majority of current awareness-raising activities and cease subsidised home composting initiatives. We cannot look at withdrawing T.V. (television) and other waste electrical equipment at recycling because the recent Business Plan debate has meant that this is no longer an option. This means the cuts would have to come from the schemes I have already mentioned. However, if we do approve the environmental taxes today through the impôts, all current services will be maintained including the disposal cost for the expansion of the Parish kerbside collection schemes. W.E.E.E. (Waste Electrical Electronic Equipment) recycling and waste electrical recycling will be improved and expanded. Fridge recycling can be introduced. End-of-life vehicle recycling can be introduced. Green bank sites expanded in a few years time and new educational and awareness projects can be implemented. On the sustainable transport side, it says no funding available from the environmental taxes. The bus service, scheduled and schools, cannot be enhanced to provide additional commuter services, better evening and Sunday services, provide more capacity for school children and better access to town facilities. There will be no

improvement to public transport infrastructure such as providing real time information, smartcard ticketing or bus shelters. There can be no further pedestrian improvements or safer routes to school schemes. There will be no further funding beyond the £500,000 approved for 2010 to provide an eastern cycle track. There will also be no awareness campaigns, no incentivisation schemes or grants to help people change to more environmental travel modes. Basically there will be no sustainable transport policy. I apologise for putting these in such a stark form but that is the reality of the situation. I think I must just comment, as have others, on the alcohol issue and put through my views in that I think it is difficult to generalise usage across the community. We want to stop the young drinking alcohol. We want to stop adults over imbibing and dealing with the effects socially and fiscally through policing. We do not want people to drink and drive. We do not want to have to deal with those who suffer health problems in later life and become a burden on society. In truth this applies across the social spectrum. It is not just what the Deputy refers to as middle Jersey which is I have to say not a term I am terribly keen on. The effects on the hospitality industry are I contend somewhat over egged. We have seen changes to the different lifestyles. The drinking/driving initiatives have had an effect. Pubs or restaurants are now family orientated. A smoking ban and general demise in the drink-only type pubs and bars have changed the drinking patterns. If the hospitality sector has a problem, may I suggest that they review their margins on drink as has been done with the petrol business. We have seen considerable competition being derived there. I contend that would be certainly something for the sector to consider. A lot of people I speak to are not drinkers. I ask why this section of the community should pay for the ills connected with those that do. I will not repeat what others have said regarding tobacco. Although I do not approve the use of tobacco, I did note that in London fines of £80 are being opposed for those who drop their litter. I suggest that my department's expenses in having to clear that up over here is something that needs to be reviewed. I wonder in future years whether we should consider the form of the impôts in position. I hear what the Deputy says when he talks of the diminishing returns. I think that could well be the case. When you look at the diminishing returns on beer, cider and perhaps tobacco, this may need future consideration. Maybe we should be looking at the likes of fridges, computers and T.V.s in our impôts stack-up because those are the items which cost money to dispose of. I urge Members not to be swayed by this somewhat populist proposition and be responsible and reject it.

7.2.20 Connétable K.P. Vibert of St. Ouen:

Some people might think that it is quite sad but this is my fifteenth budget debate so I can really say that I have probably seen it all before. Certainly the sort of persuasive amendment which the Deputy of St. Brelade, Deputy Power, has brought we have heard before many times from my good friend, the Connétable of St. Clement, who in a former life was Senator Norman. I think my problem with this is timing and the reason for the timing. I do not believe that we are in a situation today to be trying to shoot a hole in the boat of the new Minister for Treasury and Resources. I think that what I would have liked to see today is Deputy Power's amendment telling the Minister for Treasury and Resources: "I am shooting a shot across your bows and I am saying that if you do not look at a number of things which I am suggesting you should look at and come back with action on those things then next year I am going to do exactly this. I am going to cut this budget." I think that Senator Breckon was right when he said that taking it out completely - cutting out the £4.2 million completely in one go - is a step too far. I am sure that the Minister for Treasury and Resources has heard the comments that have been made today. We should today be what Senator Le Marquand said. We should be a responsible government. I think if we are to be a responsible government we have to look at this amendment and say it is an amendment which has been brought on the hoof. It has not had the study, the scrutiny, which it should have had if we are going to accept it. I think for those reasons although it is quite easy to emotionally support this amendment, as we have heard by a number of Members, I think we should take a reality check. Take a reality check and consider whether by supporting this amendment we are truly being a responsible government.

7.2.21 Senator T.A. Le Sueur:

Having just heard that, that would be a nice way in which to end this debate because I think those are sound words. I will, nevertheless, say a few words because I think although this is a budget debate and, therefore, about money, I would hope that it is more than just about money because I think the subject requires looking at in the round. I fear that some people still have this sort of silo mentality whereas I would like to think that we are taking a broader view; that all Members can take a broader view. I would remind Members that there are effectively 3 set pieces during the States year; the first being to set a strategy within the Strategic Plan, the second being to set a Business Plan and the third one being a budget to raise the revenues to carry out the strategic objectives. I think we need to look at this in the round and to look at the strategic objectives because I made it clear in the Strategic Plan that our strategy and our strategic objectives needed to be a blend of economic, environmental and social issues. There is a danger in simply focusing on one to the exclusion of the others. That, I fear, is the danger I have heard with some speakers this afternoon sadly who seem to look at it just from one aspect. I begin with the strategic aspects. I will start with the strategic aspect of Health which was agreed by a previous States but is still existing policy and agreed in the Strategic Plan, that the strategy as far as tobacco and alcohol is concerned is to reduce consumption. One tool with which to reduce consumption is to increase the duty levels over and above the rate of inflation. That is a policy which the States have agreed and have not changed. This policy is totally consistent with States agreed policy. There is so much that the Deputy of St. Mary has said in his speech this afternoon which I agree with. Since it is unusual perhaps for me to agree with him and him with me, I am happy to endorse his comments because I do think that there are some speakers, such as Deputy Duhamel, who question whether we have got any statistical information, whether we have got any evidence about this. I think apart from the evidence in the Minister for Health and Social Services' comments, which are pretty clear in terms of the reduction in smoking over the last 5 years, in terms of the impôts figures which suggest that although duties have risen considerably over the past 5 years or so, revenues have not increased by the same level. That is because although the duty has increased, consumption has decreased. So we are achieving that strategic objective. By maintaining the proposals of the Minister for Treasury and Resources, we will continue to support that strategic social objective of encouraging a better society, a better behaved society, improvement to law and order and improvement to the health of society. We then turn to the environmental aspects. I must say I was disappointed to hear the words of Deputy Southern, who is not here at the moment, suggesting that we might support the amendment and oppose the Minister for Treasury and Resources and regarding it as some sort of party game. To me that is disappointing and reprehensible. We have a duty to the taxpayers, to the residents of the Island, to work with them and to make sure that we do not risk their health and we do not endanger the environment. This is not a matter of cheap party games or scoring one against a Minister you happen to disagree with. The issue of fuel duty is inextricably linked to environmental matters. The Minister for Planning and Environment has made that clear. The Minister for Treasury and Resources has made that clear. The budget statement makes it clear. But if we are going to continue our environmental initiatives, they are dependent and almost entirely dependent on an increase in fuel duty. If we believe that environmental initiatives are a balanced part of our strategy then we are effectively obliged to support an increase in fuel duty because unless we do so, those environmental initiatives cannot continue and having ceased for one year I very much doubt if they would ever come back again. What we have to do is to realise and look at the consequences of adopting this amendment. Many Members have said that they wished that it could have been voted on in 3 parts. That may well be but the fact is that we cannot. We have to either accept or reject the proposition as a whole. I put it to Members that if there is some part that you cannot agree with then morally, practically, realistically, you have to reject the whole amendment. It is not a question of on balance, which is a bit nicer than the other. If you oppose some part of it then sadly one has to oppose all of it. Certainly from my part, I would have to oppose it not just because I disagree with one part of it but because I disagree with all 3 parts of it.

But there are some Members who may feel that they could support one bit but not the other. I say to them I understand their situation and it is a difficult position to be in. But realistically if you cannot support the whole of the proposition then you have to reject the whole of the amendment. I really end where I began by saying this is not simply about money. It is about balancing the economic, the social and the environmental aspects of the amendment. On that basis and recognising that the amendment is in one part, I urge Members to reject it.

Deputy D.J. De Sousa:

Sorry, Sir, I do not normally do this sort of thing but I have to object to the way that the Senator has twisted the speech by Deputy Southern. He did not imply it was a party game or that he was trying to gain one on Senator Ozouf.

7.2.22 Deputy A.E. Jeune:

Clearly showing democracy at work, as the number one Deputy **[Laughter]** ... sorry, as the Deputy of No. 1 District of St. Brelade, I am pleased to speak after my Connétable. Seriously, I agree with Deputy Duhamel and Senator Breckon, in that I too find there is a dilemma here. Sadly I do not believe increasing the price of alcohol will change what has become the cultural behaviour of many, not all, of our young people. The Minister for Home Affairs said education has not worked. I ask was the education all that good because I consider good education and how the courts deal with any very bad behaviour could be more effective than taxes in the management of this problem. I believe more people drink responsibly than those who drink irresponsibly. I do feel that the elderly who enjoy their little tipple, I consider will be the hardest hit. Putting up taxes on these 3 items is the Treasury's favourite at budget time, not just in Jersey but in most countries. It is an easy target. But I appreciate the Minister for Treasury and Resources has to balance the books. This amendment goes no way to showing how monies can be found from other sources to fund the money voted by this Assembly for spending in 2010. I still consider further efficiency savings can be found. I do trust the Minister for Treasury and Resources to continue to work at this. This is not about defeating a Minister. It should be about doing what we believe to be right and in the overall interest of the people whom we represent.

The Connétable of St. Clement:

Are my 30 minutes up, Sir?

The Deputy Bailiff:

Your 30 minutes are up, Connétable.

The Connétable of St. Clement:

In that case, Sir, more perhaps in hope than expectation may I propose that the question now be put?

The Deputy Bailiff:

The closure motion has been proposed. More than an hour has elapsed since the debate on the proposition opened. More than 30 minutes have elapsed since notice was given. I do not consider that it would be an abuse of the procedure of the States or an infringement of the rights of a minority for the motion to be put.

Deputy M.R. Higgins:

Sir, could you please indicate first how many people are still waiting to speak?

The Deputy Bailiff:

Yes, indeed. There are 6 Members of whom I have been given notice so far who wish to speak.

Deputy M. Tadier:

Does that include Deputy Le Hérissier? Sir, I believe Deputy Le Hérissier put his light on at the end. I am not sure if that has been taken into account.

The Deputy Bailiff:

Deputy Le Hérissier is next if that is relevant to Members. **[Members: Oh!]** The Connétable of St. Clement has put that the motion be put. Is that seconded? **[Seconded]** Very well. The appel is called for. Members who are outside the Chamber are invited to return to the Chamber in order that they can vote on the proposition of the Connétable of St. Clement that the amendment be put. All those in favour of the closure motion will kindly show and the Greffier is opening the voting, which he just has; and those against. Thank you. Those Members wishing to vote.

POUR: 21	CONTRE: 28	ABSTAIN: 1
Senator T.A. Le Sueur	Senator P.F. Routier	Connétable of St. Mary
Senator F.E. Cohen	Senator P.F.C. Ozouf	
Senator J.L. Perchard	Senator T.J. Le Main	
Senator B.I. Le Marquand	Senator A. Breckon	
Connétable of St. Ouen	Senator S.C. Ferguson	
Connétable of St. Helier	Senator A.J.D. Maclean	
Connétable of Grouville	Connétable of Trinity	
Connétable of St. Brelade	Connétable of St. Lawrence	
Connétable of St. John	Deputy R.C. Duhamel (S)	
Connétable of St. Saviour	Deputy J.A. Martin (H)	
Connétable of St. Clement	Deputy G.P. Southern (H)	
Connétable of St. Peter	Deputy of Grouville	
Deputy of St. Martin	Deputy of St. Peter	
Deputy R.G. Le Hérissier (S)	Deputy P.V.F. Le Claire (H)	
Deputy J.B. Fox (H)	Deputy J.A.N. Le Fondré (L)	
Deputy of St. Ouen	Deputy S. Pitman (H)	
Deputy J.A. Hilton (H)	Deputy K.C. Lewis (S)	
Deputy of Trinity	Deputy I.J. Gorst (C)	
Deputy S.S.P.A. Power (B)	Deputy M. Tadier (B)	
Deputy of St. John	Deputy A.E. Jeune (B)	
Deputy J.M. Maçon (S)	Deputy of St. Mary	
	Deputy T.M. Pitman (H)	
	Deputy A.T. Dupré (C)	
	Deputy E.J. Noel (L)	
	Deputy T.A. Vallois (S)	
	Deputy M.R. Higgins (H)	
	Deputy A.K.F. Green (H)	
	Deputy D. De Sousa (H)	

The Deputy Bailiff:

Very well. I call on Deputy Le Hérissier.

7.2.23 Deputy R.G. Le Hérissier:

I voted in a self-denying way. **[Laughter]** I did have a shock when the Deputy of St. Mary stood up because I did think given his well known and much respected feel for the underdog he was going to say: “Eat, drink, smoke and be merry.” But alas he reverted to his very responsible stance and I thought, as did the Chief Minister, he gave a very good speech. I think it has been quite a disappointing debate. It has touched upon major issues like the nature of taxation and in a way it has set this massive hare running about using taxes as a change agent but it has not been satisfactory. We have been shadow-boxing I feel. We have not really confronted the issues. People, as in all debates, have just chosen obviously the issues that suit them in coming to their

final decision. I have to say I entirely agree with the frustration which underpins Deputy Power's speech but I was very worried, again as was the Deputy of St. Mary, about the supporting arguments. I felt he came up with a very random collection of cuts. I could not work out how Clos des Sables and the conflict that is going on in Clos des Sables, which is represented through 2 surrogates in this Assembly, relates to under-spending or mis-spending in the States. I think it brought me to the conclusion, which I have painfully come to sadly in my own way, that we all talk - as I have - a tough line about cuts but to implement them other than to face up to the fact that we are going to have to deal with policies which may be very dear to some people and are going to have enormous ramifications - and you have only got to look at things like Jersey Telecom - is entirely a different matter. But there are things that do need shaking. I will join the Deputy in the random list. I have always mentioned the excess bollards at the airport. We have now got a £170,000 fence there, for example, which I am told is not needed. No doubt the Minister for Economic Development will address that. There is no doubt part of the psychological barrier over which we have to jump is one that several Members have mentioned that the public is not convinced we are serious about cost cutting. How do we deal with it? Senator Ozouf has said that he is going to implement the mother of all fundamental reviews and he is really going to get to the bottom of what is happening. But in order that perceptions can be dealt with as well as, I do not know, realities, given that there should not be a difference, that will mean he is going to have to really tackle the massive growth in management at the top levels of the Civil Service. **[Approbation]** He is really going to have to tackle that and it is something we have avoided because you cannot talk about fairness and equity to the rest of the workforce and we know there are problems throughout the workforce. We know that. You cannot talk about that unless you are shown to be attacking the root of the problem, unless management is putting itself forward. That is a major, major perception that the population have that we do not really look at that issue. The second thing, the Deputy alluded to the fact he has got this massive fiscal review going on. Again as other people have said, it is only when we show ... and I think Deputy Trevor Pitman said this at the beginning, if there was a beginning - lost in the mists of time - he said at the beginning of this debate that there had to be a more assertive stance in bringing out a rebalancing of the tax system. Ideas have been put. As people like the Deputy of St. Mary said, ideas have been put time after time and they have basically been rejected. We all remember the fight that the Deputy of St. Martin had over share transfer tax, for example, and we remember other fights as well. But unless he is prepared to look at sacred cows, like the sacred cow of 20 per cent, for example, unless he is prepared to look at development taxes or capital gains taxes and, to be fair to him and this is where Deputy Power could have spoken, I felt, to give a more balanced argument. Unless he is prepared to look at those open-ended payments that are really driving people mad like supplementation, which I know is now being looked at and, although Senator Le Main denies it exists any more, rent rebate. It has just been buried in the Social Security system. **[Interruption]** Yes, I know. But there is no doubt unless we can get some new thinking in these areas, I find it very hard to respond just to a populist approach because there is nobody in their populist mind who is going to reject the call for either not putting any tax on or for reduced taxation. It is a political instinct that in a way you are forced to do that. I would have liked to have heard from one side and to have had a realisation that there has to be a much more open commitment to a real restructuring of the tax system and a very aggressive stance to how we deal with the public service because, as some speakers have said, I do not think the public really believe us. This notion of Senator Perchard that public sector money is dead money or negative money is totally fallacious. Public sector money goes to taxation through what our employees pay in their own taxation. It goes into construction projects. It goes into contracting with private companies. It is being re-circulated, in other words, throughout the economy. It is totally naive to think that if you throw it at the public it goes nowhere. I will end, as do people like Deputy Trevor Pitman and the much esteemed Deputy of No. 1 in St. Brelade - *le premier* - and I would ask Senator Ozouf to bear this in mind. There is a very nice little French saying that says: "It may be logical but is it reasonable."

The Deputy of St. Mary:

Sir, that was worth voting against the last motion.

7.2.24 The Connétable of St. Mary:

Like many other speakers I am concerned that the 3 elements of this proposition do not necessarily hang together although I have to say I understand completely Deputy Power's comments regarding the transport costs. When he mentioned the mother ferrying her children to after-hours activities because the bus service does not do that, I completely understood from personal experience where he was coming from. I have said many times when we have talked about environmental taxes that I am much more of a carrot person than a stick person. Do not hit me with a stick before you give me the carrot. Do it the other way round. I am seriously concerned by the way we tackle this. I am not going to comment on the health implications raised by the Minister for Health and Social Services or the issues raised by the Minister for Home Affairs. I do not dispute their concerns and I am no expert in their fields certainly. But I will say that this year-on-year increase in impôts is a very blunt knife with which to excise these particular problems. **[Approbation]** It is blunt because in this case, for example, looking at the alcohol problem, it takes no account of the different types of licensed premises and the different roles they play in our society. There is a very different rationale behind a country pub than there is behind a nightclub. I am not saying pro or against either of those establishments but they have different functions. I can only hope that the review of the licensing laws which is currently undertaken will provide the sharper tool to combat excessive alcohol consumption which is of course what we are talking about. Not the consumption of alcohol but the excessive and the problematic consumption of alcohol. I hope that will be better than merely increasing duty. People have talked about the way that we have managed to reduce tobacco consumption but in my experience, and it is only my perception, the crucial element here was not increasing the price year on year. It was when we made it so incredibly inconvenient to smoke that we really had an effect. It seems to me that that is what we need to be looking at. A different kind of tactic here rather than simply cost year in, year out. As I said, I am no expert in the areas already touched on but what I do know a little bit about is community. I understand the wider role played by local pubs, for example, in the community. Unlike some speakers I do think that this rise, which of course is a signal of a continuation of the trend of year on rises, will make a difference to the viability of pubs. In St. Mary I am very fortunate to live in a strong, small community. We have got 2 public houses. They are in the hands of experienced, responsible landlords or tenants. That harks back to what Deputy Power said, the problem of unsupervised drinking versus regulated, controlled drinking. Again I look to the licensing laws for that. I understand the very important part that the local pub plays in the community. It is an essential focal point in many ways. I visit one of our pubs - the one closest to me - just to see on different days were there different people there? Was it continually the same people drinking? No, it was not. Some people went on one day. Some people went on another. But one thing I know is not everyone has a happy home life, especially these days when we have more and more broken homes. There are many fathers I know who live alone during the week. They live for the weekend when they see their children but during the week they have pretty sparse company at home. Supporting children as they do at arms' length and obviously supporting former partners responsibly as well, not everyone can afford the roaring coal fire, the widescreen television, not even the subscription for the midweek football match. They go to the pub for more than just drinking but the pubs have to be kept viable. Anything that attacks the viability of the pub of course is an attack perhaps on that social element that they play. I can only say that we have had some work done on one of our pubs recently but one of them had not been having much done on it for a while. At the moment it is undergoing a huge refurbishment programme. The comment I have heard more and more from parishioners as they casually chat to me is: "Is it not nice to see that they are investing in our pub ['they' being the owners]?" It would have been dreadful had we lost it" because people see it as more than just a place to get a lot to drink. They see it as a really vital part of the community. Our publicans organise competitions, they organise fund nights, they organise lots of things. You do not necessarily need to partake in

the alcohol but you can if you want to as long as you can walk back. Those pubs are policed well and they are regulated. There is a lot to be said for that. Contrary to what Senator Le Marquand said or rather despite it, I believe that there is a ceiling to which those who choose to drink - and here I am not talking about those who are unfortunate enough to have a problem - and who need the social element that a pub can offer, they have set themselves a ceiling of what they can responsibly afford. There comes a time when it gets to be too much. Of course Senator Le Marquand did not mention margin. I have said the pubs are there. They provide a service. They need to cover their costs. I do believe there comes a time when people are driven back into the home to drink at supermarket prices. I say there is a social implication there that cannot be ignored. Social isolation can bring its own problems. Depression is a huge concern. I am not here suggesting for one moment that alcohol is a cure for depression. That is not what I am saying. It is quite the opposite of course. What I am suggesting is that somebody who is alone and is drinking alone and whose problems seem to compound in their own mind because they do not have the company of the mates they made at the pub, they face a vicious circle. That social interaction has to be an important part in their lives. I wonder how we justify anything that drives people out of what is a social, happy environment in most cases, especially in the pubs that I go to which are limited I admit. As someone who always ends up driving, I do not partake of the alcohol, but that makes me a very good social observer I think. I think the viability of the pub is very important. We do run the risk of closing down a very important element of our community life. In the old days as I often said, you had a crossroads. The main thoroughfare went through. You had the church on one side. You had the pub across the road. I can tell you in most Parishes that is how it still is. How else could we get this money? Many of us have given other suggestions. Following on from what the Constable of St. Brelade said, we need to tackle the consumer to deal with the disposal of their items. If it costs, as I understand it does, £15 to dispose of a fridge according to E.U. standards then we should put a £20 levy on the purchase of a new fridge; £15 to cover its disposal - the disposal of the one it is replacing obviously - and £5 to go into the general levy to cover other recycling items that we cannot do. We need to target the consumer more rather than simply with the increase across the board of duty.

Deputy R.G. Le Hérissier:

Sir, to enable the Constable to get to the pub, can I call the adjournment, please?

The Deputy Bailiff:

The adjournment is proposed. Are Members in favour? Very well, before we adjourn there are just 2 matters to report to Members. The first is that there has been lodged P.210 - the Draft Foundations (Additional Annual Charge) (Jersey) Regulations - in the name of the Minister for Economic Development and the Depositor Compensation Scheme response of the Minister for Economic Development, SR.10.

Deputy M. Tadier:

Sir, in the interests of commonsense it may well be that the Constable of St. Mary only has a few minutes left of her speech. Sorry, have you finished? It was not clear. I missed that, so thank you.

The Deputy Bailiff:

Very well. The States stand adjourned until 9.30 a.m. tomorrow.

ADJOURNMENT