

Questions to Ministers without notice -

4 The Deputy Bailiff:

Deputy Baudains is, unfortunately, ill, so he is unable to pose the last question to the Minister for Planning and Environment. So, that means we come to questions to Ministers without notice. This, of course, is the first occasion on which this will take place. Given the time is limited, I do remind both questioners and, in particular, Ministers, that both questions and answers must be concise. In addition, I intend to ensure that a variety of Members as possible can ask questions. That means that, by and large, it will not be possible to have follow-up questions because we must share it around Members. Clearly, follow-up questions can arise, if there is a dearth of other Members who have to ask questions. It has been drawn to my attention that there was just a question by an Assistant Minister of his own Minister. I certainly would deprecate that, in the space of quarter of an hour. This is intended for non-members of the Executive to hold the Executive to account.

Senator P.F.C. Ozouf:

I was trying to raise a point of order.

The Deputy Bailiff:

I know you were, yes.

Senator P.F.C. Ozouf:

I was just going to ask whether or not my Assistant Minister can answer my questions?

The Deputy Bailiff:

Yes. I am grateful for you having risen to raise it. I hope very much that Members will understand that this is not the purpose of this question time. Very well. So, we will start, therefore, with questions to the Minister for Economic Development and the Constable of St. Helier.

4.1 The Connétable of St. Helier:

Thank you, Sir. As the only surviving member of what used to be called the Tourism Board I am very concerned to find out what plans the Minister has for, possibly, re-launching a Tourism Board involving members of the industry; also, his plans for the Tourism Development Fund?

Senator P.F.C. Ozouf:

I am in the process of allocating responsibility to myself, and my Assistant Ministers, of the wide portfolio that exists. I said earlier that Constable Fisher has already been given responsibility for the Postal Committee and I am delighted that Deputy Maclean is also taking responsibility for Harbours and Airport. Tourism I will be discharging to a large extent myself, although Deputy Maclean has a very vital role in sorting out related tourism matters. I have not made any absolute decisions about the TDF and the Board, but some sort of advisory body is going to be set up. I note, and I welcome, the request by the Constable to be involved in that. He has an important role as far as developing tourism is concerned.

4.2 The Deputy of St. Martin:

Some months ago the former President of EDC informed Members that it was proposed to relocate the Milk Marketing Board from Five Oaks to Howard Davis Farm. Indeed, plans were displayed because Members, I know, went to see them. Will the Minister give an update on the progress made and whether the Cabinet difficulties on Howard Davis Farm have been resolved?

Senator P.F.C. Ozouf:

[Aside] I would say to the Deputy, in my Declaration of Interests I have declared that my father,

who is also a Member of this Assembly, is a dairy producer. I do not think it is proper that I discharge the responsibilities of anything to do with the JMMB (Jersey Milk Marketing Board) for that reason. But there will be an announcement - as I made in my written answer today - that one of the complete responsibilities of the dairy matters will be passed to one of my Assistant Ministers following a discussion in a couple of days. I would ask, respectfully, that he hold that question over to the Assistant Minister for that. I know he is looking bemused about that, but it is not only an issue of economic development, it is an issue for the Planning Department too.

4.3 Deputy A.D. Lewis of St. John:

Could the Minister clarify Jersey's position with the UK Government in respect of the film industry? We are told that there are some serious objections from the UK Government. What exactly are these objections, and at what level from within the UK Government have they come?

Senator P.F.C. Ozouf:

This is an important issue, which has commanded the attention of the previous Finance and Economics, Policy and Resources and Economic Development Committees. A policy was set out which sought to have careful regard to the UK position, that, effectively, off-shore jurisdictions, such as Jersey and Guernsey, were being used by UK retailers in order to circumnavigate VAT (Value Added Tax) arrangements. This is in contrast to Jersey-based businesses, of which Members will be aware of some that are perfectly legitimately set up to sell CDs locally and further afield. These objections have been widely circulated in the media. I was, in fact, interviewed by the Radio Four programme, together with the previous President of Economic Development on this very issue. We were very concerned about the reputational issue for Jersey on this issue. With legal advice from the Solicitor General, I am in the process of discussing a revised policy for fulfilment, which will be published. I am also going to discuss this with the Chief Minister, as the objection to this policy has come from the highest levels within the UK Government. That is why we must be careful. Certainly, threats have been made for the UK Budget, et cetera. But we are working on it and I will be making an announcement on fulfilment quite shortly.

4.4 Deputy S. Power of St. Brelade:

Is the Minister aware of increasing public disquiet with the difficulties and cost of getting to St. Malo by sea? Is he aware of the fluctuating prices, the non-availability of timetables, the changes in schedules without notice, and the apparent form of boycott of the route now by members of the Jersey public? Does he not think it appropriate to investigate obvious public disquiet by commanding the one operator on the route, at the moment, to explain why there is this high level of public disquiet? Thank you, Sir.

Senator P.F.C. Ozouf:

I have received a lengthy email from Deputy Power, this morning, on this subject. I would say to him, with the greatest of respect, I do not need him to tell me about the public disquiet on this issue. I understand very well the issues concerning the sea routes. Indeed, I repeat the commitment that I have given to attempt to resolve these issues. There are difficult issues. He is well aware of discussions. I know he is aware of discussions with Emeraude, and I know that matters are progressing. As I have said in my answer earlier, I spoke to the Acting Managing Director of Emeraude. I am confident that they are putting their house in order. They will be submitting to me plans by the end of January. I also re-state the position that we will be dealing with this overall policy issue. I will be taking that to the Council of Ministers in February.

4.5 Deputy S.C. Ferguson:

Returning to the fulfilment industry, again, Sir. Would the Minister not consider that the reaction of the UK Government is somewhat of an over-reaction when the change in retailing

that is coming is a result of market forces? Is the Minister also aware of the fact that Guernsey has French companies using Guernsey as a base for a fulfilment industry? Perhaps the whole thing should be looked at in the context of the overall market conditions.

Senator P.F.C. Ozouf:

There is quite a history to fulfilment in Jersey. Members will be aware, for example, of flying brands that have been operating in the Island for a number of years. I was not aware of French activity in Guernsey. I am acutely aware of the importance of a level playing field concerning the whole fulfilment sector. While we do have legislation that we can use in order to influence the fulfilment sector, namely, the Regulation of Undertakings [and Development] Law - I will be using the Regulation of Undertakings Law to influence and to ensure that resources in the Island, particularly labour resources, are properly used for the benefit of the whole community - I am aware that Guernsey may not have such arrangements. Indeed, I have discussed this with officials this morning. We will be in communication with the UK Government again concerning this fulfilment issue setting out exactly what we plan to do. There are some aspects of the fulfilment industry that are good. There are some aspects of the fulfilment industry which are of great benefit to us. We have seen falling employment levels because of it and that is a good thing. On the other hand, we must be guarded not to allow the Island to be used as a post box and to be used as lacunas around arrangements for VAT, which brings the Island into disrepute. So, it is a careful intelligent balance that must be struck. I am trying to reach that.

4.6 Deputy D.W. Mezbourian of St. Lawrence:

Would the Minister inform the House on his support of tourism, especially with events such as the Battle of Flowers and Battle of Britain, and the level of financial support they will receive this year and also in the future? Thank you, Sir.

Senator P.F.C. Ozouf:

I have inherited a position whereby the events-led budget was cut by the previous Committee. Indeed, the previous Economic Development Committee - a budget which has been approved by this Assembly - had its budget cut. I think it is a budget of around £7 million. It was cut by £500,000. The previous Committee did, indeed, make cuts of the Events Budget of the order of £350,000. They reduced it by £110,000. I have to say that, in the latter days of the previous administration of Economic Development, there was a change of heart in relation to some of these issues. I was concerned about that. I believe that event-led tourism is absolutely vital - for the avoidance of doubt - for Jersey. I will be giving it my full support. As relates to the Battle of Flowers, I have inherited a position where the budget is going to be for 2006... I think it is an unchanged budget. I will confirm to the Deputy exactly what it is, but there are no budget cuts for the Battle of Flowers. I would additionally add that I think we are going to have to invest in the Battle of Flowers, certainly in the night-time parade aspects. I am looking forward to some meetings that I am holding in the next few days with the officials from the Battle of Flowers to develop their strategy. I think it is important that we develop event-led tourism - Battle of Britain, Liberation Day, Battle of Flowers - all vitally important, and that is going to need some investment.

4.7 Deputy A. Breckon of St. Saviour:

The last President of the Economic Development Committee gave an undertaking to this House, during the debate on the Resource Plan, that a report would be produced by February on an Ombudsman scheme for the Financial Services Commission. Could the Minister tell me if any work has been done on this? If so, if we will, indeed, receive a report in February?

Senator P.F.C. Ozouf:

I am advised that work is undergoing. I have not seen any of it myself yet. The Deputy will

know that I am generally supportive of the concept of a Financial Ombudsman. I will await the report and advise the Assembly, and the Deputy, whether or not there is going to be any delays by the Department in that report. I am sympathetic to what the Deputy has said.

4.8 Deputy R.G. Le Hérisssier:

Would the Minister outline from whom he is receiving advice in respect of ferry policy and whether, indeed, the position of International Transport Adviser, occupied by Mr. Colin Powell, still exists as a position within the department?

Senator P.F.C. Ozouf:

It is a position that still exists but, of course, I am advised by a number of officials. For the first time, as Economic Development Minister, I have also the responsibilities in respect of harbours and airport - Deputy Maclean is dealing with that. So, we are trawling far and wide for development of our policy. I would also remind the Deputy that I said in the Assembly, at the last sitting, that I was certainly alert to the OXERA report. Indeed, my previous track record of support for OXERA is well known. I think they made a good report.

4.9 Deputy G.P. Southern:

[Aside] The Minister's predecessor, Sir, the President of EDC, announced his intention to withdraw subsidy from school milk. Is it the Minister's intention to review this decision and in what timescale?

Senator P.F.C. Ozouf:

I would refer the Deputy to the answer that I gave to the Deputy of St. Martin in relation to milk matters, which will be handled by one of my Assistant Ministers.

4.10 The Deputy Bailiff:

Deputy Power is wanting to ask another question if nobody else does. Deputy Power.

Deputy S. Power:

Can I ask the Minister, again? I referred in my last question to increasing public disquiet. I asked him to consider whether he would command the existing operator to a meeting with him to discuss that increasing disquiet. He did not answer that question.

Senator P.F.C. Ozouf:

I am not running a nationalised industry. I have various powers at my disposal in relation to encouragement at meetings. I get the impression that Deputy Power is no great fan of Condor. I have to say that I must be entirely even-handed and fair in my approach concerning these operators. I have met with Condor. I have got assurance from them in relation to price. He knows that. If there is any suggestion that they have not abided by the undertaking, under the conversations that I had, then I am willing to listen to that. But, I want to get ferry services right for the long-term. I want to get the policy right when we deal with this matter in March for the long-term. I do not want to lurch from one crisis to the next in relation to sea routes. I am determined to get it right. We can have lots of public meetings, but what I need to do is to get the policy right on good advice, sound advice. I also need to know what the operators are going to do, both of them.

4.11 Deputy P.J.D. Ryan:

What is the Minister's reaction to the recent highly inaccurate and misleading publicity in the *Jersey Evening Post* regarding an alleged large increase in the costs from Jersey Post for delivering the Consumer Council's newsletter in 2006?

Senator P.F.C. Ozouf:

I am pleased the Deputy asked that question. **[Laughter]** I am advised of a letter that I have received from officials at Jersey Post concerning that. I understand that it is not exactly as the report was given in the *JEP*. I understand that the Consumer Council was given a service, at the same price that had previously been offered. It was a similar service, effectively, as I understand it - I stand to be corrected if necessary. The Consumer Council leaflet was given out individually. Jersey Post was offering a replacement of that service, the previous one being heavily subsidised - his views about cross-subsidisation are already known. The Deputy shakes his head, but it was being subsidised. What they offered was to circulate the Consumer Council magazine in a polythene envelope, together with other material addressed to the householder. I am also advised that Deputy Breckon has not contacted Jersey Post following representations that they made in December. Now, there has been a letter sent to the *JEP* setting out the position. I will review that again. But, so far, with the information I have, I am satisfied with the approach that Jersey Post has made.

4.12 Deputy C.J. Scott Warren of St. Saviour:

I would like to ask the Minister - although I realise there are dangers with cross-subsidisation - whether there might be a case in this situation for the high profits from the film industry to be used to subsidise the high increases in postal rates for small packets and, as has just been said, the costs for the Consumer Council leaflet. Has that been considered?

Senator P.F.C. Ozouf:

My general approach on cross-subsidy is that it is not a good idea. That is the general tone that you are going to hear from me in my discharging of responsibilities as Economic Development Minister. I cite, as a recent case in point, the legal services that are charged in conveyancing. There has for a long time been a scale fee, which has camouflaged an inefficiency in the system. The inefficiency of the system is that Jersey's conveyancing system must evolve. It must modernise. Since the scale fee has gone there are now lower fees in place. There is also pressure for the first time to change the conveyancing system. Now, cross-subsidy is a bad thing. It masks inefficiency, ineffectiveness and bad management. I do not agree with it as a general point. There are certain exceptions to that; one of which is Universal Service Obligation which I intend to set policy for; Telecoms; and Postal, in perhaps a more forthright way than has been previously done by the previous Committee. But, generally speaking, it has to be proven that there is a jolly good reason why you would allow for Universal Service Obligation and cross-subsidy. Generally speaking you will find me saying, repeatedly, "No".

The Deputy Bailiff:

I am afraid the time expired while Deputy Scott Warren was asking her question, but in hallowed fashion, according to television programmes, the question having been asked the answer had to be given, but that concludes the time allowed for that matter.

The Deputy of St. Martin: Before we move on, could I just make an observation: I compliment Senator Ozouf on the way he answered this morning. I think today has been a learning exercise. But I think, possibly, we will have to address the issue whereby it will not only be Senator Ozouf who will find himself in a position where he will find himself conflicted, and knowing whether it will be fair to ask an Assistant Minister a question which, really, should be answered by the Minister. Maybe this is something which PPC (Privileges and Procedures Committee) will have to look at to see how we can overcome this problem. From my own viewpoint this morning, I personally thought the question was general and it could have been answered. But, again, I think it is a learning exercise and what has happened to Senator Ozouf will probably happen to other Ministers as well, during the course of question time.

Senator P.F.C. Ozouf:

May I just say, Sir, I do apologise to the Assembly that I cannot answer those questions, but I have set into my Declaration of Interest that I will not comment or influence anything to do with the dairy industry. It would be wrong for me to comment, generally. You will have an Assistant Minister - one of my capable 2 Assistant Ministers - dealing with agricultural matters. I am sure that the Deputy can ask an oral question on that issue. I will pass it to them at the appropriate time.