



STATES OF JERSEY

TUESDAY, 10th FEBRUARY 2009

Corporate Services (WEB) Sub-Panel

Review of *Waterfront Enterprise Board: Revised Memorandum and Articles of Association (P.12/2009)*

Sub-Panel:

Connétable D.J. Murphy of Grouville (Chairman)
Senator S.C. Ferguson
Deputy C.H. Egré of St. Peter

Witness:

Mr. C. Swinson OBE (Comptroller and Auditor General)

Present:

Mr. W. Millow (Scrutiny Officer)

Connétable D.J. Murphy of Grouville (Chairman):

Thank you very much, Chris Swinson, for coming to see us. He is, as you know, the Comptroller and Auditor General, and we are delighted you have taken this time to come and talk to us. This should not take terribly long, but there are a few things that we want to get on the books so that we know exactly where we are coming from. In order to start the ball rolling, I think, could I ask you why you decided to have a look at this anomaly, so-called anomaly, at the Waterfront Enterprise Board?

Mr. C. Swinson (Comptroller and Auditor General):

In the early part of last summer, concerns were being expressed about the governance arrangements within W.E.B. (Waterfront Enterprise Board). In response to the concerns that were then being expressed and in consultation with others, it seemed sensible to look. I rather quickly produced an interim report which dealt with a number of conflict of interest concerns that came to attention concerning the then Chairman of W.E.B. In doing that and in looking at the

management of conflicts of interest, the issues which I understand are now the Panel's principal interest came to my attention. In that interim report, I said that I would be minded to return to those issues in a further report and that my initial view was that there were structural concerns that needed to be dealt with, and I indicated my initial view of how they might be dealt with. That led in October to a final report that set out my considered views of what should happen in respect of those.

The Connétable of Grouville:

Thank you very much. The conflict of interest, we know the original one with the Chairman was a conflict on commercial grounds, was it not?

Mr. C. Swinson:

Yes.

The Connétable of Grouville:

And it was dealt with by the States at the time, I think.

Mr. C. Swinson:

Yes.

The Connétable of Grouville:

Okay. Now, you are saying that there is a conflict of accountability in the structure as well. How would you define that?

Mr. C. Swinson:

Basically, there are two different accountability structures that are brought into W.E.B. When W.E.B. was set up, the power was given to the then responsible committee, F. and E. (Finance and Economics), to give instructions to W.E.B. in respect of certain decisions. When ministerial government was introduced, that previous accountability to a committee was transferred to

accountability to a Minister. That had been augmented in previous years by contractual obligations for W.E.B. to submit to the Treasury and Resources Minister, or the committee that preceded him, decisions about use of the property so that on the one hand W.E.B. has built into its structure accountability to Ministers and, in particular, the power for Ministers either to approve or direct W.E.B. to do certain things. Quite separately from that, and again from the first articles of association of W.E.B., the power was granted to the Assembly to appoint States directors. The articles of association prescribed that there should be a balance between non-States directors and States directors. I tried to find out what the purpose of that arrangement was and my understanding was, and still is, that the purpose of the Assembly being able to appoint these directors called States directors, who were to be States Members, was that they were in some way a representation of the States Assembly's interest in W.E.B. and in some ways were accountable to the Assembly for what they did as directors of W.E.B. So they have two accountability structures there: one directly to the Assembly and these States directors, and another to Ministers from the board. That is the conflict I referred to.

The Connétable of Grouville:

Fine, that is great. Thank you very much. Sarah, did you want to ...?

Senator S.C. Ferguson:

Yes. I suppose, following on from that, was anybody being accountable, really? By the time we had ... I suppose if you have the Ministers being accountable, if you have the States directors being accountable, so we are really ending up with nobody - I am sorry, this is a supplementary - being accountable.

Mr. C. Swinson:

I think that it is quite clear that the Ministers remained accountable for the decisions they made, and they have had to stand and answer in the Assembly for their decisions and to justify the propositions they put to the States for W.E.B.'s activities. In my work, I discussed with the States directors at the time, who were the former Deputy Huet and Senator Routier, how they had found

their accountability. I would not wish to put words in their mouth, but as I said in my interim report, they had found it difficult. I also spoke to Senator Perchard, who had been a States director, and clearly I also spoke to Mr. Voisin, who was formerly Deputy Voisin, who had been a States director. They all of them had found this position difficult because, as members of the board, they were bound by normal confidentiality within a board to make decisions, which they could not easily break and report into the States. They were also as a board bound to take directions from the Chief Minister and their actions were subject to approval, where major property contracts were concerned, by the Treasury and Resources Minister. So they were constrained. Their colleagues in the Assembly appeared to have expectations of them in accountability terms which they could not honour. In the course of my work, I sought from the Greffier of the States permission to look at the Hansards for the *in camera* hearings of the Assembly, both of the latest issue concerning the Chairman and the previous *in camera* debate concerning the previous Chairman. If you look at what the States directors said in those debates, you will see an air of embarrassment, I would suggest, about the way in which they handled themselves because they were in what I would describe as an invidious position: an expectation of accountability without an easy way of discharging what people were expecting them to do and subject to the constraints of ministerial approval and direction. Sorry, that is a long answer, forgive me, but ...

The Connétable of Grouville:

No, we need these long answers at the moment.

Senator S.C. Ferguson:

Because one of the things that we thought about was I think there is a stated view that the conflict of accountability which you have just described experienced by them has not constituted a conflict of interests for the purposes of the Companies Law, so that really we are saying that the powers under the Companies Law are perhaps not appropriate for W.E.B. or ...?

Mr. C. Swinson:

Could I just thank Mr. Millow for his ... he alerted me in the most general terms to the area your questions might cover, so I did make the odd note so that I did not screw up too often. You will find this explained in the report, and I am just looking for the reference. It is footnote 16. It is the interim report, paragraph 57, and the footnote 16. What I am saying is that firstly the conflict here is not a personal one attaching to individuals which might lead to them as individuals having a Companies Act obligation to report the conflict; it is inherent in the constitution of W.E.B. because the ministerial constraint and so on are all in the constitution. Secondly, because the conflict does not create a personal interest in the transaction by the director, the director again does not have an obligation to report because he has not got a personal interest to report. But you will see that in the interim report. The second point is, does this mean the Companies Act powers are not relevant? I would suggest that is a bad inference to draw in the interim report. I think actually the company structure is an extremely useful one, which perhaps we might come back to, and this is a problem in the constitution rather than a failing of individuals to report a personal interest, because they did not have one is what I am saying.

Deputy C.H. Egré of St. Peter:

Can I just follow up on this?

The Connétable of Grouville:

Yes, of course.

The Deputy of St. Peter:

Confidentially at this stage, but at the very beginning when we first started to discuss the issues, you said that you started doing this work because expressions of concern had been offered up. Who was expressing those concerns?

Mr. C. Swinson:

The honest answer is that I cannot remember, and I have not tried to remember because I had not anticipated that question, forgive me. Could I perhaps take that away and come back to you because I would need to go back through my notebooks. I am terribly sorry, that one escapes me.

The Connétable of Grouville:

Okay. Can we move on to the ... did you consider any alternatives to the removal of the States directors from the board in order to achieve what obviously looked like a very sensible solution?

Mr. C. Swinson:

Yes, I did. Because if the analysis was right, I thought there was a conflict between two accountability structures and you could handle that by removing one or the other, or by just jumping out into a different sort of answer. Dealing with that one first, you could set up a special board or whatever and I, frankly, did not spend a lot of time thinking about that because it seemed to me there is an attraction in using well-tried and established structures like companies for an exercise like this, mainly because I think administration ought to be kept as simple as possible and creating new bodies with new powers and so on is a more complicated business than you might think. So, of the two options, I did for a moment ... or I thought of two different sorts of things. One is removing completely the ministerial direction and approval line of accountability and making W.E.B. simply responsible to the States. This did not seem to me a terribly attractive route for a number of reasons. The first is, without expressing any view on the attractions of any particular scheme for the waterfront, the issues that W.E.B. deals with are extremely important for the future of the Island. Whatever view you take of any particular scheme, they matter enormously to the people of this Island. Quite apart from their strategic significance, they are also financially significant and require formal backing by the States to make sure they happen. I think it is inconceivable given the strategic significance and the financial significance that Ministers would be easily prepared to let this go away from the approval route. I am not sure that the people of the Island will be well served if it did go away from the ministerial accountability route. So that seemed to be a problematic approach. I also noted that from the time W.E.B. was first

created, this power of committees to direct was in place so that this seemed to be absolutely consistent with the view this Assembly had taken from the beginning of the way in which W.E.B. should operate. So I did not spend a lot of time on that option. The second option was to look at removing the States director position, and one way of doing this would have been to say there should not be a company at all, that this should simply be an activity within a department of the States accountable to the States in the way of any other activity of the government. I did not reflect that in my interim report or the final because I think that would have been practically unattractive and undesirable. The reason for that is, firstly, that the activities of development do not fit easily within the normal activities of the department. Secondly, the people you need for them are different from the normal officers you would see in a department. You need commercial experience rather than administrative experience. Thirdly, the company structure is useful in terms of contracting because a developer can contract with a company. It is very much more complicated to contract with a department or the States at large. So I looked at that option and thought: "This is complicated and does not obviously offer a sensible approach" so that I ended up with the approach of a company with a ministerial accountability structure that I have described. That is how I came to where I was in the end.

The Connétable of Grouville:

Okay. In your view, were there any advantages to having States directors as opposed to ...?

Mr. C. Swinson:

In principle, yes. The advantages of States Members is they ought to be voices reflecting the general interests of the Island, and it seems to me voices on the board of W.E.B. for the general interests of the Island are powerful and interesting. If we take a particular example - and tell me if you think it is impertinent of me to do it - Deputy Huet represented a St. Helier constituency which abutted the waterfront. She had a particular interest because she had constituents who had an interest in what was going on on the waterfront. That gave to the sort of contribution she was able to and is still able to make to the board for the moment an edge which I would have thought was

useful. So I do not think there are no advantages, it is just that I think there were some disadvantages as well.

The Connétable of Grouville:

Okay. I think what States Members are looking at now is to some extent a loss of inherent control devolving down to the States Members and going through one Minister solely. What structure do you think you would put in there for accountability at this stage?

Mr. C. Swinson:

I quite understand why it might appear that way to a States Member because it looks at first sight attractive to have one of your number on the board. The truth is that if you look at the way the States directors have spoken in the *in camera* debates that I mentioned, you see that in practice it was not controllable because the Chief Minister has the power to direct the board and the Treasury and Resources Minister has the power to require to approve major transactions by the board. So, you have the appearance of power or influence on the part of the Assembly through States directors, but I would argue not the substance. If a States director were to come directly to a debate of the Assembly and start talking of matters that were privy to the board, it would involve breaking the confidence of the board, and if a States director were to do that without proper planning or discussion with his colleagues, it would be very provocative to the board, to say the least. So I would argue that what you would be losing is the appearance but not the substance of influence. That is the first thing.

The Connétable of Grouville:

Yes, so you are saying that the two accountability issues arise again?

Mr. C. Swinson:

Yes. The second thing I would say is that I take with enormous seriousness the transparency of what W.E.B. does to the Assembly. My job is about transparency of information and reliability of

information because without that you cannot have a free democracy. If you are always arguing about transparency and reliability of the data, you can never talk about the issues.

The Deputy of St. Peter:

Can I just interject there? One of the concerns that has been expressed within the States Assembly is the accountability of Ministers to the Assembly in clear transparency terms. If we are looking, as you have described, at a situation where we have the Chief Minister who can direct the board and the Treasury Minister who has to give approval to what the board do, do you feel there is still a problem with transparency within that particular structure?

Mr. C. Swinson:

Provided that the ministerial decisions are made by way of formal ministerial decisions recorded as such, which are then available to States Members to scrutinise, I think you go a long way to dealing with the point. If you look at my final report, there is an appendix which analyses the sorts of decisions you might want to see transparently revealed to the Assembly. I went through them - there may be a weakness in my analysis of them - but I tried to go through them to identify the points at which the Assembly should be able to see what happened to make sure that there was there a structure which would enable the Assembly to do exactly what I infer you would want it to do.

Senator S.C. Ferguson:

What then are the limits of your powers over W.E.B., then?

Mr. C. Swinson:

I do not have a full range of powers. I can look at the corporate governance of W.E.B., but I cannot look at anything beyond corporate governance because the powers are not given to me to do that.

Senator S.C. Ferguson:

So that really is a bit of a sort of tying your hands behind your back to some degree? I am sorry, am I putting words in your mouth?

Mr. C. Swinson:

If my hands ... yes. [Laughter]

Senator S.C. Ferguson:

Sorry.

Mr. C. Swinson:

But I think that I did not raise the point in my report because I have anyway a review of the Public Finances Law under contemplation, and I felt that if I argued a point on my powers it would look self-serving and, therefore, detract from the report. I would suggest and hope that the Assembly might feel minded to agree that the Assembly would be helped if my powers extended to a broad range of W.E.B.'s activities and enabled me to look at the commerciality of what they were doing and financial probity of what they were doing and not simply corporate governance. But that is clearly a matter for the Assembly to consider at some point.

The Deputy of St. Peter:

Can I just ask one further general question? When you were doing your deliberation, did you have access to the thoughts and formulations that were being put in place when they were thinking about developing J.E.B. (Jersey Enterprise Board), which as you may recall was going to absorb W.E.B?

Mr. C. Swinson:

I was aware of what was published, but I had not sought to look at the files behind the published proposition.

The Connétable of Grouville:

So we have a situation at the moment where without States directors on the board, the board is off running under the direction of the Treasury Minister now completely.

The Deputy of St. Peter:

Chief Minister.

Mr. C. Swinson:

Well, it is Chief Minister at the moment. The proposition is for the Treasury Minister.

The Connétable of Grouville:

Yes, for the Treasury Minister, that is what I am saying, when we go to this stage with the Treasury Minister in charge. Would you recommend that we have an oversight committee together with that Minister - I know you brought it up earlier - and, if so, do you think that that committee ... you do not have to answer this if you do not want to, if you feel you are trespassing on political ground here. Do you think that committee should be appointed by the Minister or appointed by the States?

Mr. C. Swinson:

Let me first of all say that I think it is important that the States should not approve a change which does not include from the Council of Ministers an undertaking that key decisions will be recorded as ministerial decisions and be available to the States. That is clearly what my report implied and it is what I have in mind. I think it is very important that the oversight is based on some openness. Secondly, the reason I raised in my interim report the suggestion for a committee is that the oversight of W.E.B. does not fall easily into the committees that currently exist because it is a mixture of looking back at what has happened and looking at the policy of what will happen. The policy tends to fit very happily into the Scrutiny Panels and looking backwards tends to fit into Public Accounts Committee more easily. So there is a mixture and it seemed to me that there might be a possibility of a committee that shadows this. For my money, that is a committee of the

States and not of the Council of Ministers; it is not a creature of the Ministers. It would be a committee of Members of the States who are shadowing what W.E.B. is up to and making sure that the Assembly's interests in Assembly policy being properly implemented are properly observed.

Senator S.C. Ferguson:

Would you want to see this as the Investment Advisory Board or the committee that you recommended in your interim report that there were not any favourable responses?

Mr. C. Swinson:

It is different from the Investment Advisory Board. If I could just explain what I had in mind in terms of the Investment Advisory Board, it is that the States as an organisation has long-term interests in a number of utility-type companies: Jersey Telecom, Jersey Post, Jersey Water and a major interest in Jersey Electricity. In a sense, they are kept slightly at arm's length from the States subject to regulation by the J.C.R.A. (Jersey Competition Regulatory Authority). The States' interest is in maximising the long-term value of its interests in those companies for the benefit of the population at large. I think that there is reason to doubt that the way in which the States has followed its interest in long-term value maximisation has been as effective as it might be, and that has partly been demonstrated by the exchanges over the possible sale of the interest in Jersey Telecom where the value that might have been realised was affected by the additional value that a new owner could create out of the ownership, which argues that the States had not been realising that for itself. That is one piece of mechanism for looking at those long-term utility interests, and because they are different sorts of entity from W.E.B. I think that advisory board would be appropriate for that job but not for W.E.B. The interest in W.E.B. is not just a commercial maximisation of value. It is also about how as an Island does the Island best use the potential in the waterfront, and that is not a simple commercial decision, it seems to me. But from what I read of debates, I sense that Members of the Assembly would be of that view, and I think I am here reflecting the view of most people that this is not a simple commercial issue.

The Connétable of Grouville:

Okay, so we are really saying now that in your opinion a shadow body is almost a necessity in ...?

Mr. C. Swinson:

Well, I think it might help. I think it is quite important that the Assembly finds a group of people within itself who shadows W.E.B. and makes sure it is kept up to the mark. If I could just sort of take a slight liberty, I think that some time was spent after the introduction of ministerial government worrying about how Ministers would cope with their responsibilities. Quite clearly, the introduction of ministerial government also was a challenge for the way in which Members of the Assembly operated to make sure that the information is available and that then they use it to hold people to account properly. The committee might be one step towards doing that properly.

The Connétable of Grouville:

The board of W.E.B. now will be virtually powerless, am I correct in saying that? If the Ministers are going to make the decisions and give the orders, then the board itself will be just there to carry out whatever the Treasury Minister and the Chief Minister want them to do.

Mr. C. Swinson:

I do not think that is a change from the present position and I am not sure it is ... the justification for it is that what W.E.B. does, or rather the projects in which it is inevitably involved, are of such significance to the Island that they need to be clearly under public control. What you need to use W.E.B. for ... forgive me, the negotiation with developers, the management of contracts, the management of all of the property interests on a day-to-day level you need people to handle, but you need to handle them within the long-term interests of the Island and the policies that the Island adopts.

The Connétable of Grouville:

And perhaps as a tripwire for whatever they think is being done in the wrong way.

Mr. C. Swinson:

Yes.

The Deputy of St. Peter:

This level of accountability through a committee or through Ministers is very important, as I think we all agree. You have talked in general terms about public perception and the perception of the States as a whole, as an Assembly, I think. One of the concerns that keeps coming to the fore is that to date, historically, we appear to have failed in what W.E.B. has produced over many, many years. Do you see the change in structures attempting to stop some of those concerns that people are expressing?

Mr. C. Swinson:

I think that one needs to analyse what it is that people think of as a failure. Some of the failures may be about the nature of particular projects, and I do not think any structure will guarantee that the individual projects will necessarily be a success, frankly. So what I am saying is it is not going to guarantee that everybody likes particular results. What I think the proposals might help to do is to make sure that what is done is clearly within the policies adopted by the Assembly for what ought to be done. Whether what the Assembly and everybody else decides should be done, whether all of that ...

The Deputy of St. Peter:

Is a very subjective issue.

Mr. C. Swinson:

And it is beyond my professional expertise, to be honest.

The Connétable of Grouville:

Okay. We have already covered what your powers are with regard to W.E.B. and we have taken on board the fact that perhaps in your opinion they may benefit from having your powers extended. Is that the right way to put it?

Mr. C. Swinson:

I think there is a case for doing that, yes.

The Connétable of Grouville:

Yes, okay.

Senator S.C. Ferguson:

I think it should ... perhaps I could note that one of the conclusions of the previous Public Accounts Committee was that the ... and I think it is also noted in the final report on the accounts of the States for 2007. It has been noted that we considered that the powers of the Auditor General should be extended, and as I expect the revisions that are being planned for the Public Finances Law will come to this Committee, we shall no doubt be looking at it.

The Connétable of Grouville:

Yes, I remember we were quite strong on that as well, if I remember, were we not?

Senator S.C. Ferguson:

Yes.

The Connétable of Grouville:

Perhaps it is just as well to remind the States exactly how we feel about it as a separate Committee now. Have you got anything more, Colin?

The Deputy of St. Peter:

No.

The Connétable of Grouville:

Sarah?

Senator S.C. Ferguson:

Yes. If we go back to the proposition proposed by the Council of Ministers, in your opinion have they followed your recommendations? Have there been any which you would not recommend or any which give you pause for thought?

Mr. C. Swinson:

Can I just stress I was not involved in the putting together of the Council of Ministers' proposition.

Senator S.C. Ferguson:

No, you had some suggested amendments in your report and I just wondered ...

Mr. C. Swinson:

I think I have scanned them and generally I do not take exception to any of them. Could I just draw attention to one particular point, and forgive me if I search for it at the moment.

Senator S.C. Ferguson:

Would it be Article 25?

Mr. C. Swinson:

I think the one I was particularly thinking of was 33, and it is really just to make sure there is no misunderstanding about where I come from. In my report I said that the original Article 33 would need revision. Article 33 was a provision that said the States directors would not receive any remuneration. The amendment preserves the point that Assembly Members who happen to be

members of the board of W.E.B. should not receive remuneration. That is entirely consistent with what I had originally intended; that is, I was not proposing here that there should be any moving away from the general principle that Members of the Assembly should not benefit from appointments that are made within the States' domain. That would be a matter of policy which is not for me.

The Connétable of Grouville:

Okay. Nothing else?

Senator S.C. Ferguson:

Well, yes. You have mentioned the sort of qualifications that ... you know, the commerciality of people for people who were actually on the board of W.E.B. Would you care to expand on that or would you consider that a political matter and retreat?

Mr. C. Swinson:

You mean the qualifications and experience of the people who are members of the board?

Senator S.C. Ferguson:

Yes.

Mr. C. Swinson:

I think if the general tenor of my proposals were to find acceptance, then the board would be very much an implementation activity and you need people who are skilled in the ways of the commercial and property worlds to make sure that the interests of the States are being preserved and properly safeguarded. It is really the commercial nous and the negotiating of property nous you would need on that board, I would suggest.

The Connétable of Grouville:

That would mean, of course, you would have to have professional people on professional salaries.

Mr. C. Swinson:

Yes, but they would be there doing a technical job, basically.

The Connétable of Grouville:

Absolutely, yes. That is what I am saying. They will earn the money.

Mr. C. Swinson:

But where I would come from on this is that I think the States should be very careful not to pay silly money and the Island has a valiant tradition of voluntary service. It may well be that you can find appropriate people with appropriate skills who will provide assistance on a voluntary basis. But, in the end, the States would be badly advised to deny themselves the highest grade of competence just on the grounds of saving money, particularly on the issues such as those that W.E.B. deals with.

The Connétable of Grouville:

So, really, what you envisage perhaps is the concentration of professionalism being run down from the managing director; the board of directors would be advisory and facilitatory ... sorry, is that a word? **[Laughter]** To advise and facilitate.

Mr. C. Swinson:

Well, we knew what you meant, Chairman.

The Connétable of Grouville:

That is great. To advise and facilitate rather than actually do the work.

Mr. C. Swinson:

Because, basically, you hire a managing director to get on and do it or you make sure that he is not ... that people are not taking advantage of him.

The Connétable of Grouville:

Perish the thought.

Mr. C. Swinson:

Perish, indeed. Could I also say that I would distinguish that from the States Assembly oversight group, the shadowing group we were talking about, where the role is more one of preserving the long-term interests of the States as the Assembly sees them. That may need professional advice as a group to enable it to assess things.

The Deputy of St. Peter:

On that point, can I just interject there for a second? This perceived committee, in the current structure we have the executive and scrutiny. Where would you see it fitting within the structure? Because it is neither fur nor fowl.

Mr. C. Swinson:

Exactly. It is within the scrutiny "camp", if I can put it in those terms, rather than anywhere else. It is very much the States Assembly looking at what the executive branch is getting up to.

The Connétable of Grouville:

The P.A.C. (Public Accounts Committee) type of operation with a single aim?

Mr. C. Swinson:

It may be that I have misunderstood, and the Panel will obviously reach its own view on that. I think it is difficult sometimes for the Public Accounts Committee to look at forward-looking policy issues which fit more into the Panels. It is equally difficult sometimes for the Panels to look back

at what has happened. That is why it is neither fur nor fowl and that is why I ended up thinking of a different committee. If it could be fitted into an existing committee or Panel or whatever in some easy way, my normal preference would be to avoid creating a new structure because you have plenty. You do not need more. **[Laughter]** The easiest thing is to fit, if you possibly can, within something that already exists. I was finding that a little bit difficult.

The Deputy of St. Peter:

Hence my question. **[Laughter]**

The Connétable of Grouville:

Right, I think that just about winds it up, does it not? Sarah, you have nothing else?

Senator S.C. Ferguson:

I do not think so.

Mr. C. Swinson:

Could I just ... forgive me, Chairman, there is just one other matter. In my recommendations, I do say that Ministers should be expected to lay the annual report and accounts of W.E.B. formally before the Assembly annually when they are received. I am an accountant; I do not apologise for that but it is true so I think accounts matter. You know, my life is a bit sad if they do not. So, I think that we have not always been as formal and careful as we might be in making sure documents of that sort are formally presented to the States and taken by Assembly Members. I say that, however, not because I think just limiting everybody's work to overseeing the accounts is enough by way of oversight; it is just one element which would fit in with looking at ministerial decisions, propositions and so on. It is an important one that should not be missed, but it is not the only thing you need look at.

The Connétable of Grouville:

Would you envisage, then, the accounts being questioned in the House as well? Questions can be asked anyway in Question Time, but would you envisage a formal questioning of the accounts?

Mr. C. Swinson:

Absolutely.

The Connétable of Grouville:

Right.

Senator S.C. Ferguson:

Yes, although the meat of this company is not really in the accounts, is it?

Mr. C. Swinson:

It is in the contracts that the company is managing.

Senator S.C. Ferguson:

Contracts and agreements and so on.

Mr. C. Swinson:

Which is why the ministerial decisions relating to those contracts also need to be looked at. The Assembly, I hope through what I have proposed, would be put in the position of being able to question them because it will know when they are being entered into.

The Connétable of Grouville:

Then we are going to hit the old brick wall of commercial confidentiality, are we not?

Mr. C. Swinson:

I think that the decision of a Minister of entering into a contract should not necessarily be a matter of confidentiality. The content of it might be, but it should be possible for the Minister to say that the contract exists and to give some indication of both the provisions of the contract and the reason he agreed to sign. That does not seem to me unreasonable. There may well be confidential elements of contracts you need to be careful about. At least a part of the difficulty here is that one needs to develop a track record in which people can begin to trust.

The Deputy of St. Peter:

Sound decision-making.

Mr. C. Swinson:

Yes.

The Connétable of Grouville:

Yes, I think the worst outcome would be if you had fifty-three States Members all negotiating a contract on behalf of ...

Senator S.C. Ferguson:

Fifty-three property experts.

The Connétable of Grouville:

You can imagine, can you not? Okay. Anything more you think we should know?

Mr. C. Swinson:

No, save I am most grateful to the Panel for its invitation. I have tried to assist and if there are further issues that come to your mind after this, I would be very happy to help if I can.

The Connétable of Grouville:

Well, thank you very much indeed for coming and we are very grateful to you. We have, I think, got a few more insights into the actual working of the corporation and of the company and we have taken everything on board that you have told us.

Mr. C. Swinson:

Thank you.

The Connétable of Grouville:

Thank you very much indeed.