

STATES OF JERSEY

OFFICIAL REPORT

THURSDAY, 18th SEPTEMBER 2008

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The Roll was called and the Deputy Greffier of the States led the Assembly in Prayer.

STATEMENT ON A MATTER BY THE CHAIRMAN OF THE ECONOMIC AFFAIRS SCRUTINY PANEL

1. Statement by the Chairman of the Economic Affairs Scrutiny Panel regarding a review into employment and training opportunities in Jersey

1.1 Deputy G.P. Southern of St. Helier (Chairman of the Economic Affairs Scrutiny Panel):

As Members will be aware, the Economic Affairs Scrutiny Panel has been conducting a review into employment and training opportunities in Jersey. It had intended to present a report on youth employment to the States in the last week of September 2008. This was always an ambitious project and due to time constraints and staffing limitations the panel has found that it is unable to do the subject justice, and accordingly intends to suspend this review without completing a final report. The panel would like to thank contributors to the review and assures them that their input will not be wasted as all work on the subject will be held in the Scrutiny Office, together with a report on the progress of the panel to date, for consideration by the incoming new panel early in 2009. The panel feels that given the importance of this matter, this course is preferable to rushing an incomplete report into publication.

The Deputy Bailiff:

Does any Member wish to ask a question? Deputy Le Hérissier.

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

Given the importance of the issue and the possibly very sad occurrence that the current chairman may not be available to be the new chairman [**Laughter**] is there any chance, Sir, that an interim report could be published, because I am very concerned about some of the group that is involved with this particular study, so I have been trying to argue for some time around, for example, literacy, numeracy; there are real issues. Is there any chance, Sir, an interim report can be ...?

Deputy G.P. Southern:

I believe, no. No, there is not any chance. There is no chance that an interim report can be produced. The reality is that the officer in charge of this particular Scrutiny review completed his 3 months' probation and decided that Scrutiny and civil service was not for him and returned to the business world. The officer who may have been able to pick it up and was involved partially has been promoted and is going to leave the department on 3rd October. If the Member is aware of the deep involvement of officers with reports, and must surely be aware that no other person can suddenly be drafted into a report that is halfway through, certainly I do not believe that it is valid to publish half a report at this stage. The issue of what happens to Scrutiny is an ongoing one obviously. This will happen probably every 3 years where an outgoing panel will be replaced by an incoming panel and it would be up to them to decide what topics they are interested in. From time to time it would be useful if there was a topic that was part-researched that they might pick up and thereby get some continuity. In fact, this is a very wide-ranging topic and could fall within the remit of many of the Scrutiny Panels and in fact should the Deputy himself be in place come January, perhaps he might persuade his own panel, whichever one he is sitting on should he be here, to take up this particular topic.

1.1.2 Deputy I.J. Gorst of St. Clement:

Yes, this was an extremely worthwhile and necessary review and it is disappointing that it is not going to be completed. I wonder if the chairman as a member of the Chairmen's Committee might raise these issues with the Chairmen's Committee to see if there is a way around in the future to ensure that this does not happen again, Sir, or perhaps there can be some provision made to ensure that new Assembly Scrutiny Panels do pick up half-finished reviews.

Deputy G.P. Southern:

I would certainly bring up the issue at the Chairmen's Committee although Chairmen's Committee is aware of this potential for transfer at the end of a 3-year stint. Would the Member remind me of his final point?

Deputy I.J. Gorst:

I was merely wondering if the Chairmen's Committee could put in place some procedure whereby new Scrutiny Panels did pick up as a priority half-completed reviews.

Deputy G.P. Southern:

I do not believe that it is possible to dictate the work of a subsequent panel. One can leave some information and suggest what has happened and how it might be developed, but one cannot instruct a subsequent panel to pick it up and this will happen from time to time. Part of the problem, of course, was that in pursuing this particular review we had been promised answers to questions from the Economic Development Department [**Members: Oh!**] by the end of August and to date - and we had asked for them at the beginning of August - we still have not received those clarifications. So, it is not entirely the panel's fault.

1.1.3 Senator P.F.C. Ozouf:

Would the panel chairman confirm that a great deal of work has been done by officials within Economic Development, that hearings have been carried out, and a great deal of information containing many hours of work have been carried out in order for him to do his review?

Deputy G.P. Southern:

Absolutely. Scrutiny is a painstaking and time-consuming and demanding task and certainly a good deal of information has been given, however, the clarification to follow up questions have not been responded to.

PUBLIC BUSINESS - resumption

2. Annual Business Plan 2009 (P.113/2008): Objectives of the Transport and Technical Services Department

The Deputy Bailiff:

Very well. So we will now return to Public Business and the next matter for the Assembly is paragraph (a)(ix) the Objectives of the Transport and Technical Services Department and I invite the Minister to propose them.

2.1 Deputy G.W.J. de Faye of St. Helier (The Minister for Transport and Technical Services):

May I first of all commence by offering my congratulations to all those Connétables who were elected unopposed. [**Approbation**] It was a great pleasure to see their faces here again. May I also say that I do sense the mood of the House, so I will be unusually and exceptionally brief [**Approbation**] and I would ask Members to take the report as read. One or 2 comments to make on the Transport and Technical Services Department which has had something of an *annus horribilis*. Members will well know the problems associated with the failing Bellozanne incinerator which now, due to the issues revolving around the chimney, can operate only at 70 per cent capacity at a maximum. That together with extra bailing issues, the absolute necessity to purchase a bailing machine, has caused disruption to the department, largely in an unexpected way. Of course, just to reflect on a comment made by Senator Perchard who was expressing a keen interest in wanting to see the Integrated Travel and Transport Plan, so do I [**Laughter**] and I would remind Members that it was, in fact, my initiative. So if anyone is keen to see it, it is the Minister. But as Members will know the department has very limited resources in terms of officers with expertise in certain areas and the entire department's expertise; those who would have been working on the I.T.T.P. (Integrated Travel and Transport Plan) were, of course, diverted to the extremely important Waterfront project with the associated tunnel and the traffic implications. I

can advise Members that effectively designing the traffic management of what amounts to about a quarter of the town is no simple task and diverted the department's resources very significantly indeed. Having said that, Sir, the budget proposals contained in the business plan show the department back on course and I simply conclude by saying with respect to the Deputy of St. Ouen that I am minded to accept his amendment but I would like a ruling, Sir, on the wording because I cannot accept an amendment that is incorrectly worded, and it does seem to me we have rather a lot of bringing forward in the Deputy of St. Ouen's amendment. Maybe I have missed a corrigendum but I am concerned about what it says when we come to that point, Sir. Thank you.

The Deputy Bailiff:

First of all, are the Minister's Objectives seconded? [**Seconded**]

3. Annual Business Plan 2009 (P.113/2008): eleventh amendment (P.113/2008) Amd. (11)

Then there is an amendment lodged by the Deputy of St. Ouen. It is part 2 of Amendment No. 11 and the Deputy Greffier will read the amendment.

The Deputy Greffier of the States:

Page 2, paragraph (a): in paragraph (a)(ix) after the words "pages 31 to 32" insert the words: "... except that after success criterion (ii) in Objective 2 on page 31 there shall be inserted the following success criterion (with the subsequent success criteria renumbered) - '(iii) In conjunction with the Planning and Environment Department and other interested parties, funding options brought forward to extend the mains drain network brought forward and considered by the States by the end of 2009'."

The Deputy Bailiff:

Now, Deputy, there does appear to be a surplus of "brought forwards" in your proposition. Should the first brought forward be deleted?

Deputy J.G. Reed of St. Ouen:

Yes, Sir. I think it was just the desire to see something happen that probably encouraged the wording to be duplicated.

The Deputy Bailiff:

Yes. So do you seek leave to delete the first "brought forward" so that it would read: "... funding options to extend the mains drain network brought forward and considered by the States by the end of 2009?"

The Deputy of St. Ouen:

Thank you, Sir.

The Deputy Bailiff:

Does the Assembly agree to that amendment? [**Seconded**]

Senator F.H. Walker:

The Deputy has had trouble with the wording of his amendments all week. [**Members: Oh!**]

The Deputy Bailiff:

Very well. So if you would like to propose that amendment as amended.

3.1 The Deputy of St. Ouen:

Perhaps I might have trouble with the wording but I think the Chief Minister has trouble understanding the ideas behind them. [**Laughter**] Sir, I am not going to repeat much of what is written in the report, however, I would like to elaborate on some of the thinking behind this amendment. As I have already mentioned in an earlier amendment to the Planning and

Environment success criteria my aim is to encourage the relevant departments to make every effort to address the issue of how extensions to the main sewer network can be funded. As the Transport and Technical Services Department is ultimately responsible for this area, it is only right that this particular matter features as one of their success criteria for 2009. Over the last 3 years the main reason being given for not carrying out a foul sewer extension programme has been due to a combination of lack of funds and priority being given to essential work in the town area. I fully accept that the essential work in St. Helier is important but it is worth considering why much of the work is being undertaken. In the past, it was acceptable practice for rainwater to be accommodated in the same sewer system designed to handle human excrement. The effect of this was that the sewerage works had to deal with a large quantity of liquid waste, especially during times of heavy rainfall. Recently, due to a greater awareness of environmental issues and a need to limit the waste requiring treatment at the sewage works, the department has directed its attentions and funds to separating surface water from the foul sewer with an ongoing programme of improvements in the town area. As a result, the programme of planned extensions to the foul sewer system in the more rural areas has stopped. Although I support the aims of the department, I am aware that there is a great deal of inequity in the way property owners are treated dependant on where they live. Presently, any new development in St. Helier and indeed existing ones are benefiting from improvements to the sewer system paid for out of the public purse. This includes the work being carried out that separates surface water from the foul system at literally no cost to the property owner. Furthermore, in most cases, any new connection to the existing mains drains network only requires a payment to cover the actual cost of providing waste pipes from the property boundary to the closest sewer regardless of the size of the property. As a result, the cost of connecting a block of, say, 100 flats to the sewer system is minimal. On the other hand, those living in rural areas are required to separate their surface water from liquid waste at their own cost. Furthermore, many have to pay the Transport and Technical Services Department for their liquid waste to be collected and disposed of regularly. How on earth can this be classed as fair? While I accept there is a need to prioritise resources, this should not stop the departments making a concerted effort to find a solution which is acceptable to all. This amendment is designed to do just that. I have been in contact with many individuals who accept that part of the solution may include some form of contribution to the cost of providing mains drains. As I have said before, this is nothing new for those affected as they already pay for their drains to be emptied and maintained. Meaningful dialogue between the Transport and Technical Services and the Environment and Planning Department must take place as collectively the 2 departments hold the key to addressing this issue. Developers, home owners, private drainage contractors and all other interested parties must be included in the process, as ultimately they all are involved and can play a part in finding a solution once and for all. With new technology it is possible for smaller systems to be installed to handle liquid waste and the possibility exists to share some of the infrastructure works, or the cost of some of the infrastructure works, with other utility companies. It should be recognised that most homes without access to sewer network are equally without mains water. Trenches can be shared which will equally help to minimise the additional expense. In the comments provided by the Minister, 2 important points are made which this Assembly needs to be aware of. The first is that presently there is a lack of sufficient funds to maintain and enhance the existing infrastructure. This should be of concern to all Members, not least the Council of Ministers, as they consider future funding requirements and priorities. Is it right that we should commit to funding new initiatives when we are unable to properly fund existing essential services? The second is that a solution needs to be found to secure long-term funding for extending and maintaining this most essential service. This amendment will hopefully enable this to happen. We cannot continue to avoid our collective responsibility to ensure our Island's infrastructure is fit for purpose and able to cope with the demands placed on it by a growing population. However, we equally cannot ignore the need to provide what a large percentage of our local population would deem to be an essential service, especially as it brings the added benefit to our local environment. I hope, as the Minister has just

indicated, that he will support this amendment and Members will be able to accept it as a practical way forward. Thank you, Sir.

The Deputy Bailiff:

Is the amendment seconded? [**Seconded**] Deputy de Faye.

3.1.1 Deputy G.W.J. de Faye:

To say that I find the subject of mains drains on this Island exasperating will be to put it mildly. I have had to handle an awful lot of criticism surrounding this subject, not least of which the inconveniences of having to dig up roads and relay drainage separation systems which cause immense congestion around the town with these projects, often lasting for over a year. I am very familiar, not least because I have had ladies virtually in tears on the telephone talking to me about the enormous costs they are having to bear for having their sewerage tankered; dream homes suddenly turning into nightmares because very, very substantial additional costs running into thousands of pounds, adding enormous burdens to mortgage payments; bringing up families. There is no question in my mind that an appalling mistake has been made in the past by shifting this burden on to one section of the population who pay regularly for their sewerage to be dealt with while the remainder on mains drains do not pay a thing directly. I could, frankly, have written the speech of the Deputy of St. Ouen myself and I was very pleased to listen to it because clearly he has a grasp of all the major issues. But in saying that I am prepared to accept his amendment, I want to make one thing perfectly clear from my point of view as Minister for Transport and Technical Services, and I hope from the point of view of any future Minister for Transport and Technical Services, and that is that this Assembly has to stop paying lip service to extending mains drains and put some money behind the talk. Otherwise, this amendment will simply ensure that there will be a downward-pointing red arrow on the Transport and Technical Services quarterly performances almost permanently. So, I have to tell Members that in accepting this I will expect support from this Assembly in financial terms to ensure that not only the maintenance that has been long overlooked on the existing network can be continued, but also that there is sufficient capital funds to push out the mains drains on the over 100 projects that the department has lined up and has had to sit on for years. I remind Members that we have not got off to a flying start on this subject. The House only recently agreed the Drainage (Jersey) Law and on the first occasion that I sought to exercise the powers according to the Minister by this Assembly, the Assembly promptly stopped me from doing so. When I brought forward a set of situations that quite clearly, in my view, were in the public interest where a developer was prepared to pay, saving the public money, for three-quarters, effectively, of a housing estate to go and be attached to mains drains, Members will recall that some objected to the lack of grounds of appeal which may be a valid position, but many Members insisted on the proprietorial rights of home owners being maintained which allows them to resist drains being passed over their land and to demand money for it. So, I think Members need to reflect on where they ultimately are going to stand on this position. It is all very well saying that in a 21st century society it is an outrage that people are not properly connected to mains drains but it is another matter to put the money where those suggestions lie and sort the problem out. So, as I say, I am very happy to accept this amendment from the Deputy of St. Ouen. It is quite obviously the right thing to do but I remind Members it is one thing to put an extra request into success criteria; it is another thing to properly fund it.

3.1.2 Deputy G.C.L. Baudains of St. Clement:

The Deputy of St. Ouen touched on the cost of connecting to the mains sewerage and I have to say I have been concerned about this for some time, Sir. I recall a few years ago, not terribly long ago, one instance where property was quoted in excess of £25,000 for connection along a main road which was less than 100 metres long and the soil was not especially difficult to excavate; they were not working in rock or anything like that. There is a feeling, Sir, in some places that the approved contractors which people are obliged to use may at times be acting as a cartel and developers are required ... for instance I was talking on that occasion about a private property but if you have

developers building estates or a number of houses, they are required to use approved contractors even though, as we discovered in the recent Jeanvard(?) development, Sir, those builders are perfectly able to do a job which is not only better but possibly one-third of the price of the approved contractors. So, I do hope the Deputy's amendment will be approved but I also hope the Transport and Technical Services Department will, at long last, look into these issues. I have raised these matters with them before but I have seen no movement on it. Because I believe it will be especially relevant given the fact that the further we extend mains drains the more per mile it is going to cost as we move into areas of more difficult terrain, and we move into areas where there are less houses per mile to be connected, so a greater cost per house. I think it makes the issue more relevant and I do hope the Transport and Technical Services Department will be reviewing that matter.

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

Just briefly, I was a member of the Public Services Committee for 3 years in 2000 and I remember discussions then among committee members about the need ... we were asking why more areas could not be connected up and, really, it was always 2 things: the money, obviously was the major one, and also the work programme and what could be achieved within that year. I was contacted even then, we are now going back 8 years, by people from northern Parishes particularly who were unhappy about the situation where often the drains were going to be connected within yards of their properties. So this has been a dissatisfaction for many people for many years, and so I will, Sir, be supporting the amendment.

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

While seconding my Deputy's amendment, I have to say that I do have an element of sympathy with the Minister about the lack of financing in this area. But I am also aware, Sir, that prior to the introduction of Ministerial government there was a programme that T.T.S. (Transport and Technical Services) had in place which in fact had reassured many people that they were close to being connected. In the last 3 years of Ministerial government there has been absolutely no movement on this. As I said, I do have sympathy with the Minister because having sat on council meetings it appeared that his Ministry was the easiest place to draw money from if money was needed. So I think that as we move forward into the second term of Ministerial government it may well be that the new Council of Ministers will have to address that matter and I think that the amendment of the Deputy of St. Ouen will help to do just that.

3.1.5 Deputy P.V.F. Le Claire of St. Helier:

Ever so briefly, Sir, to support the Deputy and also to sympathise with the Minister in relation to the support, but the support has to be requested and so often we are lumped in with the complaints of the Ministers when they do not have the money to do something, and we have not really had the opportunity to support something in isolation in the Assembly with our votes. So it is really up to the future Ministers themselves to put together something coherent that is acceptable and workable. Having been on the Public Services Committee as well I do know that it is not just about throwing money at it; it is also about the timetable that the department can achieve. I do not know, because it has been some time now, whether or not there is a possibility to outsource some services that are currently being undertaken by the department to increase that programme or not, but I think that where you have an opportunity to perhaps consider something that might be in the planning perspective I would hope that the Minister for Planning and Environment would consider when the Island Plan comes forward that planning gains do not necessarily have to equate to the specific location that is being put forward for approval. Perhaps monies from those planning gains could be taken in the realm of the urban environment that that planning is taking place in. So if we have, as we do have at the moment, a review that is undertaken to identify areas that can be considered on a Parish level, as a Parish village type thing, then perhaps developments that will occur more and more in the countryside can take cognisance of the fact that the planning gains may not necessarily have to equate to that particular development. Maybe the planning gain could be to extend the foul sewer network within the Parish. I do not know if that is legal; I do not know if that is possible; I

do not know if that is desirable but the Island Plan may give us an opportunity to put something in that would allow us to take responsibility for the issue as a whole as an Island. I would like to say as well, I live in Garden Lane and that has been surrounded by upgrades to the sewer network and the separation of foul water systems for the last 2 or 3 years, if not longer. All I can say is that the department and the people have undertaken the work in extremely difficult conditions and confined conditions and despite the difficulties that they faced it has been possible to walk around with normality in many cases. There has been some disruption and inconvenience but from a town perspective I think the department has to be congratulated for the work that it has done. I think it has done a very good job even though it has inconvenienced people. I think they have taken the time to explain things, they have put up posters, they have made an effort, they have met with residents and hats off to them for that.

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

I know that there have been other priorities with T.T.S.; there have been other priorities with all departments and budgets have been limited, but this is a drum that has been beaten for many, many years and I do not wish to repeat too much of what other people have said but it is basic infrastructure and it is something we need to fix. This proposition, or this amendment, will hopefully finally nudge the Minister and the Minister for Planning and Environment to bring forward some real solutions for this and some funding solutions of which there are many. It is not just about grabbing a budget for your department; there are other outside the box solutions. One that I would like maybe the Minister to comment on later on is why can we not negotiate with a contractor now for a 5, 6, 7-year period? Are they going to fit that work as and when they can so we have a plan? At the moment the plan that the Constable of St. Ouen referred to seems to have disappeared and this amendment hopefully will get that plan back on again so that we have a plan. There is no plan and residents of particularly the rural parishes are fed up with the promises and the plans that were that seem to have disappeared. They have had enough; they want to see a solution. I think this is an opportunity for Members to find that solution and get a plan so the public know what the future lies in terms of connecting all those that need it to mains drains and get rid of this inequity whereby so many people are paying a lot of money and others are paying nothing. It is not right, it needs to be fixed, and this amendment needs to be supported so we can bring forward some proper proposals, funded proposals that can fix this once and for all. It has been going on for too long, Sir; it needs to be fixed. I would recommend everybody supports this amendment, Sir.

The Deputy Bailiff:

Does any Member wish to speak? I invite the Deputy of St. Ouen to reply.

3.1.7 The Deputy of St. Ouen:

I thank those that have spoken in support of this amendment. I would like to thank the Minister, and he is quite right, I believe, to highlight the concerns over the, not only the lack of provision of the mains drains, but a requirement to find a proper and acceptable solution and equally have sufficient resources to ensure that our infrastructure is properly maintained and managed. I thank Deputy Baudains who focused on the costs of connections and supports equally the efforts to be made in finding a proper solution. Equally, Deputy Scott Warren and certainly I thank the Constable of St. Ouen for seconding my amendment, well aware of the promises that have been made and not kept regarding extension programmes. Deputy Le Claire, equally supports the combined effort which I highlighted that needs to happen between Planning and Environment and the Transport and Technical Services to address this issue. This is not an isolated issue for the Transport and Technical Services. There are options; there are solutions; it just needs the will to achieve them. The Deputy of St. John, finally, highlighted the fact that a number of funding options are available and that the overriding issue is that we have to somehow deal with the inequity that presently exists. I really do thank, as I say, all those who have offered their support and ask for the appel.

The Deputy Bailiff:

Do you ask for the appel? The appel is asked for then in relation to the amendment lodged by the Deputy of St. Ouen. I invite Members to return to their seats and the Deputy Greffier will open the voting.

POUR: 39		CONTRE: 0		ABSTAIN: 0
Senator F.H. Walker				
Senator W. Kinnard				
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator F.E. Cohen				
Senator J.L. Perchard				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy G.C.L. Baudains (C)				
Deputy P.N. Troy (B)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy G.P. Southern (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy of St. Mary				

Deputy S. Power of St. Brelade:

Can I make an observation on an order of business? The Minister accepted that amendment 30 minutes ago and yet we spent 30 minutes debating the amendment. **[Approbation]** All I would wish to say, Sir, to the Chair, if we carry on like this we will be here until December. Thank you, Sir.

The Deputy Bailiff:

Deputy Power, it is entirely a matter for Members as to whether they exercise any restraint.

4. Annual Business Plan 2009 (P.113/2008): Objectives of the Transport and Technical Services Department (continued)

The Deputy Bailiff:

We then return to the debate on the Objectives of the department. Does any Member wish to speak on that? Deputy Duhamel.

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

It is interesting to note when comparing the strategic aims and the objectives and the success criteria set out for the different departments how Transport and Technical Services sticks out a bit like a sore thumb in one respect particularly. If we read the objectives, Sir, they all refer to the lack of funding that has been identified for the projects that we are all agreeing around the table are needed to be put ahead of everything else. Objective 1: "Solid waste minimised through progressive recycling." The success criterion states the long-term sustainable funding route for solid waste identified. They need to find the money. Objective 2, same thing: "Liquid waste treated and disposed of in a manner that minimises the impact on the environment." Under success criterion (ii): "Identify a long-term sustainable funding route for liquid waste to ensure proper support to the provision of a service." In some ways, Sir, although I voted for the amendment of the Deputy of St. Ouen previously, it does seem to me that there was an element of repetition because that is pretty much exactly what the Deputy of St. Ouen was asking for: a long-term sustainable funding route to be found to ensure that the liquid waste programme which covers extension of mains drains to those who do not have a connection to the mains system be found. But there we have it. Reading on, Sir, Objective 3: "The highway network to be maintained to maximise the lifespan of highways and associated infrastructure." The success criterion will be: "A long-term sustainable funding route identified in order to maintain minimum standards." Again, Sir, the fourth one, Objective 4: "An integrated travel and transport system." Implementation of this particular programme that has not seen the light of day as yet, although I am told it is coming: "Implementation of I.T.T.P. Phase 1 subject to funding." Now all of this is really tied up with Objective 9 which states that a success criterion would be to show an explicit link between budget prioritisation process and strategic plan objectives. Now, it does strike me, Sir, that we do have programmes beginning to creep into the system which have not properly identified their funding route and certainly from the point of view of the Minister it does appear, although I take it that he did not write the report, that if one introduces the word "sustainable" into the argument then perhaps that would be a way of securing whatever monies the department are looking for. The reason for standing, Sir, and speaking, is to draw to the attention of Members in the House the fact that we are embarking on a new programme to give the responsibilities for raising monies for one department to another department. Now this might well be seen as a way of integrated working or singing from the same hymn sheet, or whatever, but under Planning and Environment Department, and we have agreed the objectives, one of the things that we decided earlier on this week to do was to allow the Minister for Planning and Environment to judge whether or not he is creating an environment in which everyone in Jersey has the opportunity to enjoy a good quality of life. He will be judged on environmental taxation and environmental taxes and schemes to fund and there are 4: sustainable travel and transport facilities; the money that needs to be found in order to allow the Minister for Transport and Technical Services to carry out 2 of his programmes; the highways maintenance and, indeed, the integrated travel and transport system, energy efficiency measures. I suppose we could possibly put water and liquid waste into the same category, (c) improved recycling that seems to be a responsibility of Transport and Technical Services, again, unfunded. The other one, I suppose, which was a legitimate way for raising environmental taxes in my mind is awareness and education and sits quite firmly within the Planning and Environment Department's remit. Sir, I am worried, because I am not particularly a fan of the annual business programme. I think we do at best kind of muddle the differences between funding programmes and setting

priorities for those programmes, but it worries me that perhaps implicit in what we are being asked to agree to, that the success be judged by the bringing forward of schemes and plans for sustainable funding, then indeed these are just words or code words for further environmental taxes and further taxation systems which the Island and Islanders might necessarily not wish us to embark upon. I can quite easily see requirements being brought forward if this goes through to the House for a sewerage charge and, indeed, that was really underlying something that was being said by the Deputy of St. Ouen. There is an inequity in the system that those on the mains drains do not really pay for it, or it is paid for by general taxation, and those who are not have to pay separate charges. So why not bring in a sewerage charge for everybody in some shape or form which might well be what comes forward in what we just agreed upon. Likewise, in order to commit to the recycling levels, we are already hearing that some monies through environmental taxes will be found, why not further collection charges in order to do the job properly or to a greater degree? Indeed, why not, if we are going to embark upon a whole range of new sustainable, green, environmentally-friendly taxes as a way of not committing to the funding programmes that T.T.S. are bringing to this House through general taxation, go the whole hog and develop highway charging schemes in order to pay for the maintenance of the roads, which we know is underfunded? So I think, Sir, for me I would not hope or wish to see that we are committing to priorities-setting programmes which are generally pushing us in the direction of a commitment towards funding departments by other means or by other departments who do not have the responsibility for carrying out the work in those departments, or in those areas. We have not got to Treasury and Resources priority setting as yet but, again, if we are reading through, there is the beginning of an emphasis on environmental taxes. So, be warned, I think it is there; read between the lines and I think if I could ask the Minister in his summing up if he could tell the States what his interpretation of sustainable funding route is because we have heard a number of Members just recently suggest that the words “sustainability” and sustainable this and sustainable that does not mean perhaps what it used to mean. Indeed, I think those words might well have already come from the Minister for Transport and Technical Services and I for one would be very interested to hear what his definition is. Thank you, Sir.

4.2 Deputy K.C. Lewis of St. Saviour:

I will be brief. Objective 4, an integrated travel and transport system has already been mentioned so I will not go over that. Objective 4(ii): the pilot scheme of a new charging mechanism undertaken. I would be interested to see exactly how that works; whether it was the mobile phone or other. Objective 5(i) and (ii): sea defences not breached and scheduled implementation of sea defence strategy. I would like to know how that works. Our sea defences were breached not so long ago and I would love to hear exactly how the Minister is going to prevent that in the future. While I am on my feet, may I congratulate T.T.S. on the standard of work repairing the sea wall which was blown over some time ago. Thank you, Sir.

4.3 Deputy S.C. Ferguson of St. Brelade:

This is an excellent example of the way the States prioritises. In fact, it illustrates a fact that we need to change the thinking by the States: this Assembly and the Corporate Management Board. The Auditor General - I am sorry if Senator Le Main does not like me quoting him, Sir, but he does talk a lot of sense. He says ... the Auditor General; not Senator Le Main: “Larger departments tend to be overfunded and to escape the full effect of corporate pressure to constrain spending and to make efficiency savings resource allocation in the States unduly reflects political strength rather than a rational setting of priorities for expenditure.” The States goes for new projects; a nice frilly, new project rather than making sure that existing ones operate efficiently and this particularly refers to the infrastructure which is the bugbear of the T.T.S. Department and this is what the P.A.C. (Public Accounts Committee) amendments are aimed to assist in. I have every sympathy with the Minister for T.T.S. because of the problems, because it goes right back to proper prioritisation; rational prioritisation by the States and by the Corporate Management Board.

4.4 Deputy C.J. Scott Warren:

Firstly, I do support at the very least having minimum standards for the highway network, but I have to say, Sir, when it comes to the long-term sustainable funding route I do not believe that people in Jersey are at the moment prepared to pay even more taxes; they are still trying to get used to paying G.S.T. (Goods and Services Tax). I will try and cut a lot of this out but I would like to just say that the animal carcass incinerator and the difficulty finding another site, it seemed to be after Deputy Ben Fox's amendment fairly quickly we decided that the right place for the energy from waste plant would be La Collette and, in fact, States Members became experts when they agreed to that site. Certainly speaking for myself, I had not a clue whether it was the right site and I did not support La Collette on that basis. But I would say that if we can just decide on another site for an incinerator we should be able to find somewhere for the animal carcass incinerator, and the sooner the better because the current location is, frankly, unacceptable. I will cut out a lot because of time. I look forward to seeing the I.T.T.P. implemented in the next Assembly and as soon as possible. I would like to thank the Minister and the officers in his department for their work recently regarding the introduction of regulations for speed limits in areas around schools and also their work, I believe with planning an environment in the private sector on ECO-ACTIVE schools travel plans. Thank you, Sir.

4.5 Deputy R.G. Le Hérissier:

I am not sure everybody who travel through St. Martins is as proud of the pedestrian link outside the school as Deputy Scott Warren but I do congratulate her all the same, Sir. The first point I would like to raise which is very briefly but not at all dealt with is the bus service. I do congratulate the Minister on the many initiatives he has brought forward. I think they have been excellent but as ever, Sir, I have to say the whole financial basis of that contract is what concerns people. It is not the fact that there is a pub bus, that there is increasing integration of the school services; excellent initiatives, I should add, it is the basis of that contract and I have seen no fresh thinking in that regard. I would like to know, Sir, whether the Minister, according to the notes in the annex, is looking to fresh thinking and could he tell us whether he is going to build incentives in so that the more the company earns the less the States pay? I know he keeps arguing he is doing this, Sir, but in the recent rather quickly put together deal with the existing operator, only £100,000 as I recall was promised by that operator as part of the deal and it is not an incentivising contract even now. I would like to know what thinking is going on, notwithstanding the fact, Sir, I think there are some improvements. Could he tell us which is not clear from the figure in the annex, and I notice was raised in a letter in the J.E.P. (*Jersey Evening Post*) yesterday, it is known the amount of subsidy per year, could he again put that in the public domain now? The last point, Sir, I know his department has been very keen on user pays and I have noticed as from last night people are using departmental sites to promote themselves, would he tell us what the charging policy is in respect of election posters on departmental sites? Thank you, Sir.

4.6 Deputy G.C.L. Baudains:

The Minister will no doubt be surprised that, broadly speaking, I support the initiatives as laid out in his programme. There are a few comments I would like to briefly make. Objective 1(ii) the new in-vessel composting facility, I am concerned - I know we had the debate on that just recently - that according to this it is only the planning process that will be completed by quarter 2 in 2009 and as we did learn in the previous debate, Sir, on my proposition about cessation of composting, from the Minister that there is no guarantee; there are apparently all sorts of problems surrounding the site and there is no guarantee that it will be completed even by 2009 or 2010. What I would like the Minister to do is to look again, as I believe another speaker mentioned a few moments ago, at alternative sites such as Warwick Farm. Why cannot they be used and construction could start almost immediately? I believe he has the funds to construct the in-vessel composting. I would like to think that would move ahead as quickly as possible but I get the impression that it could stretch out perhaps indefinitely. I do not want composting going on down at La Collette for years and

years in the future; even 2 years is too long, but it does give the impression it could be indefinite. Moving on to Objective 2 in the liquid waste, Sir, we have just had that discussion identifying the long-term sustainable funding with liquid waste, et cetera, and the amendment of the Deputy of St. Ouen. I do hope that the Minister will bring forward as soon as possible a new programme of mains drains extension that Members can study, sign up to and approve. I would also remind him that not everybody wants mains drains. I recall a previously Connétable of Trinity telling me how lucky his Parish was that it did not have that amount of main drains and that, in fact, had exempted him from a lot of development that has blighted other Parishes. Objective 4, the issue that Deputy Lewis raised; I too would like a fuller explanation of (ii), a pilot scheme of new charging mechanisms. I would like the Minister to expand on that. Finally, I would point out, under Objective 7, I think it is slightly misleading. Success criteria (ii), number of road traffic collisions involving defective vehicles, gives the impression that if the number reduces then there are less defective vehicles. I would remind the Minister that in fact there is no connection at all between the 2 matters unless the defect is the cause of the accident, which in most cases is not the case. Thank you, Sir.

4.7 The Deputy of St. John:

If I could just pick, first of all, on Objective 4, which Deputy Baudains just mentioned. It mentions the future redevelopment of multi-storey car parks, Sir, and it goes on to talk about the charging mechanism. Now, I am slightly confused and perhaps the Minister can clarify. I understood part of the strategy was to reduce, potentially, the number of car parking spaces available. So is that item one there about maintenance of the existing stock and will the charging mechanism be an opportunity to try and reduce the numbers of cars using the car parks by a charging structure? My understanding, Sir, is that part of the strategy is to encourage people to not get in their cars in favour of, potentially, public transport; which would stimulate public transport and improve it further by it being used more. That was my first question, Sir. The other thing I would like to know about, Sir - and it is a perennial issue, particularly when Deputies first get elected - is one gets lots of calls about speeding in your Parish and pedestrian crossings and so on, which was certainly the case in my Parish. Three years on we have not found any resolutions because of funding, even though the Parish is prepared to fund the work we want to do ourselves. The issue is basically consultants or engineers to give us the advice required. We keep getting told that all resources are currently diverted to the waterfront tunnel. Can the Minister advise as to when that resource is likely to be freed up to look at what I am sure the Minister regards as very minor issues. They are but they are very important to our parishioners, Sir, and I would like to find out what the priorities are. I know some negotiations have happened with the Constables and priorities have been agreed but we would like to see some speeding up on that process. The other thing, Sir, was it was mentioned in the comments from the Minister for Planning and Environment on the issue of Deputy of St. Ouen's amendment and that was the community infrastructure levy. This is a mechanism that could be used to fund things like sewerage infrastructure, Sir. It exists in the U.K. (United Kingdom) but to have a similar mechanism in Jersey we would have to pass some legislation or amend some existing legislation. I would like to know whether the Minister is prepared to do that because the Minister for Planning and Environment, I get the impression, is slightly reluctant to do that; more in favour of a percentage for art. So I would like to know whether the Minister would be prepared to be big and bold and bring forward legislation that can introduce a proper community infrastructure levy. I would also like to hear what his views are, because they are not included in the objectives, on promoting further private-public partnerships with regard to infrastructure. I do not see any mention of that and I wondered if he still considers that a way forward, certainly for sewers. I would like to see that as possibly a priority, to market the idea that the Government and the public can participate in producing better infrastructure in the form of sewers. I would also like to take this opportunity, Sir, to congratulate the Minister and his team on what I believe is excellent progress, albeit being a bit tortuous and a little bit slower than some would have liked, on recycling. We have had a lot of support in St. John's and T.T.S. in

developing our programme. Other Parishes are about to follow suit. The recycling officer and his assistant are excellent at the work that they do in the schools and so on and I commend the Minister and his team for promoting that. It has been a little bit difficult, I know, to drag the horse to water but the horse is now drinking and I really do commend the Minister for his work on that. The targets have been met almost already. Despite having 32 per cent, we are nearly there. So I would be interested to know whether he believes that we can exceed that, which I know Members would like to see happen. But if we do exceed it, can he cope with the extra recycling, Sir, with the infrastructure he currently has. I would like some assurance that he can. That is all I have to say, Sir, and I look forward to hearing the Minister's response. Thank you, Sir.

4.8 Deputy P.N. Troy of St. Brelade:

Sir, Objective 3, the most harmful elements of the waste stream segregated for treatment. Of course, Members in this Chamber have been saying that we are putting in all of the wrong materials into our incinerator. Metals, plastics, tyres; those are the sort of products that should not be going into the incinerator at all. I would like to ask the Minister, of the most harmful elements going into the incinerator at the moment, can he give us a brief summary of what the most harmful elements are at this moment in time, what he proposes to take out in the future and when he is going to get round to doing it; because this, Sir, is something that should have happened long ago and Transport and Technical Services have been dragging their feet on this and many residents are extremely concerned and many residents near the incinerator are being harmed. Their health, I am convinced, is being harmed.

4.9 Connétable M.K. Jackson of St. Brelade:

There are a few points which I find of concern and principally this probably starts off from the dreaded Energy from Waste plant. I think one of the biggest points which really worries me is that we have approved this plant, we have been stuck with the T.T.S. Department having to redesign it at enormous cost to satisfy planning, and effectively we have had spend another £1 million on changing the profile of the shed which has done nothing really to improve the department's performance. In addition to that, Sir, we have the T.T.S. involvement at the waterfront and the resource having to be expended on the tunnel down there, at enormous cost once again. This, in fact, has impinged on other spheres of the department's activities and, in particular, on Objective 6 where reference is made well maintained public places and amenities. There are, throughout the Island, some stunning examples of success there, where the efforts of the staff are absolutely marvellous. But the whole effort seems to be inconsistent. You go down a little bit further; all the weeds are hanging out of roads, the banks are not cut. I just wonder how the Minister intends to approach that in view of the funds he has available. In order to obtain the success criteria of positive public feedback, there will have to be some change in strategy there.

Deputy G.W.J. de Faye:

Sir, I am sorry to interrupt the Connétable. I was briefly distracted and missed one of the things he wanted me to talk about. The last words I caught were to do with hedges being cut. Could you just remind of what that was about?

The Connétable of St. Brelade:

Yes, Sir, it was not much hedges but edges to the roads.

Deputy G.W.J. de Faye:

I am very glad I asked now. [Laughter]

The Connétable of St. Brelade:

If I can just move on to a point on Objective 7, numbers of vehicles and road checks being issued a defective notice. Does the Minister intend increased numbers being issued or reduced numbers? I just wondered what the success criteria would be on that. Thank you, Sir.

4.10 Deputy P.V.F. Le Claire:

I take on board the point that Deputy Power made about speaking when it comes to amendments that have been accepted but I would point out to Members, and also to would-be Members, that the process has changed in these debates now, in these formats, and the budget which used to take us several days now only takes us 2 because we have stripped out these elements. These elements that we are debating today, the Business Plan, afford Members the opportunity to discuss and debate things in areas where they would not otherwise normally be afforded the opportunity, especially in relation to proposed programmes. As I am a member of the Environment Scrutiny Panel, I do have more than an opportunity to question and discuss with the Minister much of the work and I have done that on a regular basis, both in committee and in the States Assembly in questions. However, this is still an opportunity for me to ask the Minister some questions and I would like to just focus on one area, please, if I may, and that is in relation to odour control and sewerage treatment. Deputy Fox brought a proposition that was wholeheartedly supported over 2 years ago now, I believe, to approve some money to ameliorate the smell at First Tower and the Deputies of First Tower, 3 and 4 district, quite rightly brought forward the concerns of their district and spoke about containing the amelioration of the smell. In the annex to the Business Plan, in the capital programme, we see that there is £14 million earmarked for upgrades to the secondary stage of the treatment of sewerage; to purchase a more traditional second stage because of the fact that the current one has not been adequate in reliability terms to contain and deal with the sewerage that the Island is producing. It also speaks about the first stage and the second stage of identifying how it is that we are going to ameliorate the smell and odour. Now, this is very early process in regards to containment of that and it speaks about the requirement to undertake an odour survey which will require specialist contractors to be brought from the U.K. So 2 years down the road from having supported this, we are still not at the stage, it appears, that the specialist contractors have come in to identify where the smells are going, where they are coming from, how they could be controlled. With there being some suggestions that a new sewerage treatment facility may be located at La Collette because the Island's sewerage tanks have grown from 4 to 12 open tanks, there is a very great need for us to spend a large amount of money and a large amount of our time and effort from this department in the infrastructure of dealing with the Island's sewerage. I appreciate that the Minister and the department are doing all they can to remove surface water and that is where they are targeting their funds, but with over £20 million estimated in front of us for the foreseeable plans of the States, can I ask the Minister when does he anticipate that the odour will be tackled in real terms, what year are we looking at, and are there plans to build a new facility at La Collette? If so, when, how much, why and where. Thank you.

4.11 Senator F.H. Walker:

Sir, I will be very, very brief. This is not really aimed at the Minister. This is a general point, I think, for the House generally. I think T.T.S. have done an absolutely sterling job in most of the areas that they are responsible for within severely constrained budgets and they have had one cut after another in order to stay within spending limits and to fund health, education, et cetera; decisions taken by this House and a question of prioritisation. But where I think we are falling sadly behind - and this is no criticism of the Minister or his department - is in the quality of the maintenance of a lot of our infrastructure, in particular the soft landscaping. I have recently been in parts of Brittany, parts of the U.K. and, indeed, even Guernsey where they care for their soft landscape much better than do we and we are falling behind here. As I think the Constable of St. Brelade said, weeds are appearing on our roundabouts; many of them, which are features in so many other places, are plain boring and, in some cases, clearly under-maintained in Jersey. I think it is something for the House to consider. It is one of my greatest personal disappointments that we have not been able, in the last 3 years, to do more in this respect but it has been due entirely to budget cuts. But I think if Jersey wants to be the high quality Island we all believe it to be then we have got to show that we are as well and we must not begin to allow our budget cuts to portray Jersey as effectively a second-rate place to be. It did grieve me to see how much ahead of us even

Guernsey was looking this summer. Sir, one particular case, for example; the toilets at St. Brelade's Bay, which were burnt out a number of months ago, have just stayed there. They now have got hoarding around them but they are an absolute blot on the landscape and nothing has been able to be done to them because of budget constraints. Now, we all want good financial management but this is something I hope the future House will give more consideration to than we have been able to in the last 3 years.

4.12 Deputy I.J. Gorst:

I was just prompted by those words of the Chief Minister, Sir. I could not agree with him more and I am aware that the department has had several budget cuts with fundamental spending reviews and the like; but I have long been of the opinion that perhaps with some of the soft areas there is a solution that the department could look towards the prison. They have a great nursery there. They have a, shall I say, captive workforce. Perhaps if the department were able to call on that we would find that that problem could be solved. I am aware that there are issues but I believe the department should move beyond those and deal with that. Thank you, Sir.

The Connétable of St. Brelade:

Sir, if the Deputy would just give way for a moment. I would just like to add that the Parishes of St. Brelade have been very satisfied with the service provided from the prison in producing flowers with which our Parish Hall is decorated. Thank you, Sir.

Deputy I.J. Gorst:

I was merely going to go on to say that we as a Parish have done probably exactly the same as St. Brelade's. In fact I think can proudly say that the director of St. Clement got the entire inside of his church painted for, I think, less than £1,000, Sir, using prison workforce and it would have cost him considerably more than that. So I think it is a great resource that we do not use enough, Sir. Thank you.

4.13 Deputy J.B. Fox of St. Helier:

Just going on from the same subject; if the Chief Minister has, as I have, seen in Europe that many of the roundabouts and other areas have a good public-private partnership and that is an area that I perceive where people can promote their services but at the same time provide very decorative and interesting roundabouts that enhance the area. Indeed the communes and the town halls also provide this type of support to improve the gateway to their particular area. So this is a point. In relation to Bellozanne and the sewerage plant, I understand that we could be in for some very good news within a month's time, which I look forward to, but one must not prejudice these things. Yes, it has been a long time for many of these things to come forward but we have got to respect that it is better that we get it right and it gets done than have something that is not going to be sustainable. The residents of the Bellozanne First Tower area are having to put up with appalling smells and I also recognise that there are similar smells in different forms elsewhere in the Island; La Collette obviously being one of them. It is important that this States, when it comes to the financial aspects, respects that we, as a States or as an Island, cannot achieve these things unless we support the words and the good intents with the backup of the finance that is required to be able to do it on time and also on budget. Thank you, Sir.

4.14 Senator W. Kinnard:

I just wanted to say thank you to Deputy Gorst and those other 2 who have commented very positively on the service that we provide from the prison and I would say that, Sir, I would very much hope that T.T.S. will take up the very many offers that we have made to provide our plants for them because at the prison we can grow to order. So we can provide an absolutely excellent service and it has been many, many years now that we have been trying to get T.T.S. to use us. Perhaps it being raised today openly, there may be some movement in that particular department. Thank you, Sir.

4.15 Connétable G.F. Butcher of St. John:

I am just prompted to ask a question after the Chief Minister's speech about the toilets down at St. Brelade and the blot on the landscape that they are, which I am sure they are. The question I would like to ask the Minister for T.T.S. is, are they not insured? We had a similar incident down in Bonne Nuit Bay in St. John's and they were repaired rather quickly, so I would like to ask if they were insured.

The Deputy Bailiff:

I call upon the Minister to reply.

4.16 Deputy G.W.J. de Faye:

Well, I had hoped I would set a trend by saying that I would be brief but clearly, no, I will not. Could I, first of all, apologise to the Deputy of St. John because I seem to have him down twice. Either he very cleverly had 2 speeches or I must apologise to some other States Member for noting them down incorrectly. The idea of negotiating with contractors for a 5 to 6 year period on drainage works is an interesting one but I would suggest is largely impractical. The current position is, and I really ought to advise Members, that the department does not have a squad of workers who dig holes in the road. What we do is for every project the department goes out to competitive tender with the various local companies that specialise in this area in order to get the best possible price. I would be rather reluctant to change that particular process in favour of some sinecure lasting 5 years or more which would become the province of one particular company. It is an interesting idea but one I think I will leave for wiser people like the Minister for Treasury and Resources to ponder over rather than take it up from the House today. Deputy Duhamel is a specialist in reading between the lines and often finds himself worried about numbers of conspiracies that in fact are not there, and I can assure him that between the lines there are no code words for further taxation programmes. I am a strong believer in being utterly open and up front about all matters, taxation in particular. I do not think the Jersey public would relish a stealth tax and I can assure Members that there is nothing lurking there at the moment and if anything ever does materialise Members will know all about it and what exactly it is intended for. The Deputy also asked a question about what is a sustainable funding route. Now, I personally do not like the word "sustainable" because it has been translated in so many ways but, in essence, what a sustainable funding route is, it is one that deals with what I would describe as a rolling revenue demand. In broad terms, something like a house development tax is probably entirely inappropriate for rolling revenue funding because it all depends on how many houses go up in one particular year and the next year and you would end up potentially with a year where hardly any houses were going up at all and you would have no revenue to fund whatever you were doing. So a sustainable funding route is simply one that you can effectively rely on year on year. A number of Members asked about the mysteries of a new charging mechanism relating to car parks. What I can say is, first of all, the department is very happy with the current scratch card system, primitive albeit. Simple, cheap to run, reasonably easy to understand and it basically works at a reasonably low cost. But we are aware of some of the deficiencies so that the department will be looking to having another look at the barrier type system whereby people do not have to gauge how long they have parking for in advance. I think that could be of benefit. Also we will be looking at more sophisticated technology which may allow an oyster card type approach to car parking. A review is taking place and options will be considered. I thank Deputy Lewis for his kind words about the rebuilding of the sea wall. The reason that the phasing is to keep sea defences intact I think is reasonably obvious. That is the ideal position to be in and clearly, from time to time, when a whacking great storm comes round the corner something will fall over. I am delighted to say that when I first got the message ... Well, no, it was a pretty horrific message when it first arrived; I was informed that the sea wall at Victoria Avenue had fallen down and I was expecting to find half of Victoria Avenue missing. Fortunately it was only the top of the sea wall that had fallen down and, as I am sure Members will know, that has now been replaced in a fairly swift manner. Deputy

Ferguson, I think ... and if it is electioneering I really do not care because she is absolutely right to talk about proper prioritisation of States funding and I have to say to Members that I am encouraged to see across the House, I think, a much clearer appreciation of the importance of investing in our basic infrastructure. Public services for many, many decades has been the Cinderella outfit; the one left out of the funding party and the one where the easy chops were made to maintenance budgets that were not deemed important. Well, let me say to Members that was *folie de grandeur*. I cannot imagine any Member who, as a householder, is likely to sit back and just not bother with the painting and let the rot settle into the windows and we will just leave the leaks in the roof for a bit so that we can get nice wet rot all over the place. No, you tackle maintenance on an ongoing basis because not to do so is sheer folly. **[Approbation]** The corollary is, wherever you fail to maintain, when you do have to go back to it, as you inevitably will, it is going to cost you even more. This applies most significantly, frankly, to just about all the aspects of work that the Transport and Technical Services Department undertakes. We did not maintain mains drains. We are now having to go round and fortunately no longer do emergency repair work but comprehensive maintenance work. The incinerator at Bellozanne was left far too long beyond its design life, so it quite simply started falling down of its own accord. We know from the road audit set up for us by experts from New Zealand that the Island's main roads have a value of £200 million as new but we are struggling to maintain our position in a maintenance degradation curve, and I can tell Members that we are, at the moment, finely balanced on the part of the curve where it starts to get steep in a downward direction. We do not want to carry on down and, again I remind Members, the longer you leave it, the more money you have to spend. Victoria Avenue, the notorious £1 million fiasco at Bel Royal, which frankly I can now inform Members - those of you who do not know - the fiasco cost £3,000 to put right. What we did discover when the road planning was carried out was that there was serious difficulties with the substrate supporting works which obviously were not properly done when it was originally built 40 years ago. So that is work that had not been done 40 years ago and it is only now we find out about it. That cost roughly an extra £200,000 on top of the project to put right, but it had to be put right. It would have been a ludicrous position for me to have refused to do it on the grounds that: "Oh, well, we will just roll the asphalt over and no one will know for another 40 years." I think that would have been a derogation of duty. Deputy Scott Warren points out that the animal carcass incinerator is in the wrong place. Well, she may be right but I do need to tell Members that it is where it is because it got planning permission to be there some 4 years ago. So I regret that all happened before I became the Minister and those are the facts, so please do not criticise the department. Criticise whoever was in charge of Planning for allowing it to be located where it currently is and the States will now know ... do not bother to get up Deputy Gorst. **[Laughter]** The States will now know that you have put me under pressure to move this within 2 years. Well, I cannot stand here and give an assurance that that is going to be an easy thing to do which is why I said to the Minister for Planning and Environment only yesterday we really do need to find a way forward here; a holistic approach between Property Services, the Planning Department and other departments affected in this way to find within the Island Plan, under proper planning criteria, places to put things because it is a hopeless position I find myself in shuttling stuff around from La Collette to Bellozanne to wherever we can find it. It is just not the way to run things and we need to find a way forward here. Deputy Le Hérissier, I thank him for his kind comments, especially about the fresh thinking that goes into the bus service. I will blow my own trumpet here. Most of the fresh thinking is mine. I would like to just correct him. It is not the pub service. It is not even the ale trail. It is indeed a social leisure service that I put on, on Friday and Saturday nights that is much appreciated by those that use it. I wish more did because I personally use it and have done over the last few weeks. Just as a sideline, I can say that for the first time for very many years I visited the Parish of St. Ouen where I entered the Farmers Inn and it really was, for the first 15 minutes or so, a bit like Billy the Kid walking into the High Chaparral. **[Laughter]** I could see at the far end of the bar some of the more notable regulars lining me up and indeed they came round and plugged me one after another. But I am delighted to say that the St. Ouen regulars there turned out to be absolutely charming

people. Indeed one of them insisted that I sang the Victoria College Carmen first verse with him and as I departed they thanked me for coming and said ... and this is a note I think for the Connétable and the Deputy of St. Ouen who clearly go there incognito because I was amazed to discover that I was the first States Member who had been there for 10 years. **[Laughter]** I am clearly now thinking about standing in St. Ouen. **[Laughter]** I cannot go into details on the incentives built in to the Connex contract but I do want to assure Deputy Le Hérissier there are some there already and I or whoever has the opportunity to do this, it is the intention of the department to beef up the incentives and when the new major contract comes in we will now have very considerable experience about what is appropriate. I should assure Members, we have had some very high powered legal advice. We brought in some specialist consultants from the U.K. to look at the existing contracts and I have to say they were impressed with it. They said it is a variant on contracts in the public transport sector but they think that we had a good contract. The amount of subsidy for the year is always a tricky one. Taking out the school bus service, which is a slight anomaly ... I am sure Members will know that is very, very cleverly subsidised; it is costing about £2.80 per student per ride. Students pay currently 50 pence. May I also remind Members that we do not subsidise Connex. We subsidise the passenger ride which is a different concept. We are not paying money to Connex in that sense. Connex have a service level agreement for a fixed price per year. They then have to make their profit out of that. The States takes all the revenues and that then affects the amount of what the subsidy is. The latest figure I have for the current subsidy is that it is approximately £2.6 million for what, I have to say, I think is the best bus service that Jersey has seen for as long as I can remember. **[Approbation]** I am pleased to say it is not just me saying that. It is the people that use it and it was a source of great delight to me only a couple of weeks ago; instead of hearing the usual carping criticism I overheard someone say to either a friend or a visitor to the Island: "You know, we have got a very good bus service over here." I think that just underlines the improvements that are being made. I am not aware that we have a charging policy on election posters, Deputy, and I am pretty certain that we do not. I have to say to Members that I am taking a very flexible view on election posters over the elections. In fact I am hoping that we can be accommodating rather than restrictive and certainly we have been looking at possibly ... I know already roundabouts are in the news. I simply say to drivers: "If you cannot drive round a roundabout without being distracted by something on it, you should not have a driving licence." The comments being made are frankly outrageous and ludicrous and, as we all know, are subjectively directed against the candidates whose posters are up on the roundabout, so let us be blunt about that one. I do hope though - and this is something we are looking at and if we can we will try - that we may be able to put up either railings or boards in place so that candidates can, as it were, affix their posters to something that we put up already. Clearly that has not come to fruition now but it is something that we are looking at. But, as I say to Members, I want to maintain a flexible approach to this. I think that elections should have that little bit of fun in it and it seems to me that the posters are about the only bit of fun we have got left at the moment. So that is the view of the Minister. Please take it up with me outside the Chamber if you do not agree. Deputy Baudains wants me to look again at another location for the enclosed green waste composting plant and I am happy to give that undertaking. There is no question that things are potentially on the move down at La Collette I or La Collette II and we have discussion already of La Collette III, the possibility that we may be having some significant changes about where the fuel farm is going, and where the harbour may relocate to. I need to tell Members the last thing I want to do is stick a permanent enclosed green waste composting plant smack where Deputy Maclean wants to put his new passenger terminal. So, yes, we are going to have a thorough look at that, but I do have to say that whenever someone changes the landscape, it inevitably produces a delay. So I am not going to be able to then assure the Deputy I can get this all sorted out by Christmas, let alone early next year. But I will give him that assurance; we will have another look at it. Now, I think there was a remark the Deputy made about not everybody wants mains drains and that may be true. Certainly no one has approached me on that basis directly; apart, of course, for a number of people who live above St. Aubin's Bay in a small private estate who said they definitely did not

want mains drains running through their front gardens and did not like the idea that I was contemplating insisting upon it, but that is all water under the bridge now. It is right to say though that there is a balance here. If you do not have mains drains near you, it is quite true to say that you are unlikely to see a new development or housing estate built near you either. But I do support the overall view of the Planning and Environment Department which is, quite frankly, if you are not on mains drains you are polluting the environment. I really do think, while it is all very well for people to say how wonderfully their cesspits and soakaways work, the net effect is that we are talking pollution of human waste on to the land mass and I suspect that these days people do not think that is acceptable any longer. The Deputy of St. John is talking about reduction of numbers of cars in car parks. Before panic sets in, the issues we have primarily are with cars used by commuters. It is not the same problem with shoppers and certainly I personally believe that, wherever you are in the Island, residents should have car parking. I think we need to be very careful before we change our view on that because there is a difference between car ownership and car use. I am quite worried about some suggestions that we should restrict car ownership. I think that is potentially a deeply unfair position in an Island like this where, quite frankly, due to the topography, you do need a car to get around and I personally do not have issues with people in St. Helier owning cars if they using them at weekends to drive out and visit friends and family. It seems to me perfectly in order.

The Deputy of St. John:

Sir, a point of clarification. I was talking about commuters if that is what the Minister is concerned about, definitely commuters.

Deputy G.W.J. de Faye:

Fine. There is going to be no major reduction in any spaces; although if there is to be, the focus would be on commuters. But there are big issues here because there are more private parking spaces in St. Helier than there are public parking spaces, particularly for commuters. I am very sympathetic to the Deputy of St. John and I want to assure his parishioners that he has served them well. I think he came to me virtually on day one of arriving in the States to ask me about some road-pedestrian improvements in St. John's village and he has been knocking on my door on a regular basis for the last 3 years and he is still frustrated, and to an extent so am I. But I am afraid the situation, as many Members know, is that we simply do not have the monies available for minor roadwork schemes at the moment and indeed they also have to be prioritised. But I do commend the Deputy; he has been persistent and I hope that his parishioners in the forthcoming elections will realise that it is not his fault that he has not been successful. I also agree with him about the value of public-private partnerships, not just for sewerage works but for any sort of States projects. I think that it is something that we do need to consider very much in the future; but he is not going to haul me into his community infrastructure levy I am afraid. It is a nice idea but I do not think at this point in my political career I want to commit to something quite as interesting as that. Deputy Troy - I nearly said Senator - came up with his usual irresponsible scare-mongering statements about how many people are dying as a result of smoke pouring out of the Bellozanne plant and what are we putting in it. I have no idea what we are putting in it today, Deputy; I am afraid I have not a clue. But what I can tell you is that we are taking out the electrical waste items that are the worst offenders for pollution for heavy metals and plastics; that is television screens, computers and so on and so forth. If any Member would like one of the older not flat screen but wide screen televisions, in fact any television, we have hundreds of them going through every week. They are free and you can go down and pick one up and take it away any time you like. The Constable of St. Brelade; yes, he is right to say that the design of the incinerator is probably coming in at a higher cost but, Connétable, I have to tell you, through the Chair, it will be a world class design by a world class architect. **[Laughter]** If I have any legacy to this Island it will be that local tourism will boom in the future as thousands of architects from around the world come to admire the most beautiful incinerator on the planet. **[Laughter]** I think it will be well worth the aggravation. I

cannot remember his point on the waterfront tunnel, I apologise for that, but clearly it was an aspect of planning that Transport and Technical Services Department had to be very, very heavily involved with. At the very early drawing stages I think there was not enough attention paid by those involved to the straightforward issues of traffic management. I think there was a lot of attention put to the tunnel itself but the impacts of the tunnel were something that were not really thought through until Transport and Technical Services Department flagged this issue up as a major issue; because, at the end of the day, if the waterfront tunnel did not work functionally there is no point building a waterfront tunnel. So I am now confident that the appropriate work has been done and that we have averted what might have been the alternative, which would have been a very serious white elephant and a tunnel that may have just produced traffic congestion rather than alleviated it. Edges of roads is a major issue and partly compounded by the fact that the department no longer uses the very effective herbicides and pesticides and now goes for more environmentally responsible liquids and occasionally mechanical means to do it and clear up the edges of the roads. But I am afraid this is a problem that is going to be with us because the people who do it have faced staff cut backs, so we do not have as many as we did and we are now doing it on greater pressures. I would appeal to the Connétables; one of the problems is the clear up. After the bronchage has happened, if there is not a sufficient clear up then the next big rain simply sweeps an awful lot of dust and seeds and soil down the road to a gutter or a drain where it promptly starts growing and inefficient clear ups simply create more work for both T.T.S. and Parish roads maintenance operations as well. I think the Constable of St. Brelade also talked about more road checks. I am currently happy about the number of road checks we carry out. I am also happy that we do not have to have annual M.O.T. (Ministry of Transport) testing for everybody. I think that is probably a step too far and there are no plans to bring that in. Deputy Le Claire talked about when are we going to get on with odour control at Bellozanne. Well, we have and it started this week. I have not made a big announcement about this because I do not know if it is going to work and I am relying on bacteria. Bacteria are troublesome little chaps and sometimes they perform and sometimes they do not. So the first £600,000 phase of what is going to be an over £2 million scheme of odour attenuation is underway. I hope in about 3 or 4 weeks we shall be able to determine whether the bacteria has worked and whether there is an initial significant odour reduction. But, as I say, I do not want to make a big song and dance about it now because we need to determine whether this particular approach is going to be effective or not. The Deputy may have to remind me about this. He talked about a new facility at La Collette. I am happy to give way to him to just remind me.

Deputy P.V.F. Le Claire:

Thank you very much for the answer on the bacteria and the promising news on the La Collette reassessment for the green waste facility but what I was concerned about was what are the plans, if any, for a new sewerage treatment facility at La Collette.

Deputy G.W.J. de Faye:

Thank you for reminding me about that. This is a potential that I think will be fleshed out in more detail when the liquid waste strategy is produced by whichever Minister will end up producing it. It will be a political decision but it seems clear to me that there is an opportunity. It is a once-in-a-lifetime opportunity to move the sewerage treatment works from what was a formerly very attractive valley - it is called Bellozanne after all - which has become effectively an industrial zone for the Island. Not only that; it is an industrial zone sat behind a very dense residential zone. So this is a very unhappy relationship. The sewerage treatment works is, in the same way as the incinerator was, getting past his design life and will need some form of attention and this may well be the opportunity for the States to consider effectively removing it from Bellozanne and putting it somewhere else. La Collette is a location to consider, not least of which because the movement of the ... well, the location of the fuel farm produces different hazard zones now but one of the few types of development you might be able to locate in what would otherwise be a dead zone, because

of the hazardous use, is a sewerage works; indeed an enclosed state of the art sewerage works. So the smell is not an issue; and, because it is such a low level of personnel, there is no major issue on the hazard front. In other words, this is one of the few things we could possibly relocate that would utilise land that is otherwise unusable. The plumbing is reasonably simple. Mains could be run from the current dyke pumping station, a very short run there. The current Weighbridge to First Tower gravity feed can simply be reversed and then effectively the plumbing works would run from the Weighbridge along commercial buildings. Again, a relatively simple connection to be made to possibly open up a major transformation of Bellozanne Valley hopefully back to residential. What a convenient place to live if you just wanted to pop in to town. So that is the background to that. As I say, ultimately it will be a political decision because I suspect that the cheaper option will be simply to patch up the existing sewerage treatment works. The re-siting of the sewerage treatment works to La Collette will be the radical solution but it may be the brave vision. It may be that in the next few years it is the time to take the scrap metal yard out, take the sewerage treatment works out and restore Bellozanne Valley to an attractive local ... you know, one of the remaining nice St. Helier valleys runs into Fern Valley at the top end. It could be really a pleasant area to live as opposed to having an industrial zone nestled behind high density residential; not a happy formula. That is the background to that. I have always got to hand it to the Chief Minister. He shakes my hand and then manages to slip one in behind me at the same time. Soft landscaping; well, yes, lovely. But I have to say, as Members will probably understand, I have had to take some pretty ruthless decisions on priorities over the last couple of years because of all the various circumstances and I am afraid soft landscaping is nice to do but it is not a must do. It also would be the responsibility ... it would probably come under Parks and Gardens staff and they are one of the sections that have been most savagely hit over the years with staff cuts. So we do not have the monies. We do not have the people to do it. It would be a nice thing to do and we have looked at it, believe me, and we have talked to the prison on a number of occasions about all sorts of ways of helping; down at the railway walk and doing other things. Unfortunately we have not been able to come up with a solution there. Indeed we have even looked at, and have tried, sponsorship of roundabouts and other areas so that local companies, with a small logo, would pay for doing the flowerbeds. But, again, unfortunately, no great success there. So I thank Members for listening to me. I am sorry that my attempt to be brief has been extended and I commend the report to the Assembly, Sir.

The Deputy Bailiff:

All those in favour of adopting the objectives of the Transport and Technical Services Department kindly show. The appel is called for.

Senator J.L. Perchard:

Sir, before the appel could I raise the défaut on Senator Shenton, please.

The Deputy Bailiff:

Does the Assembly agree to raise the défaut on Senator Shenton? The défaut is raised. Very well, the appel is called for in relation to the objectives of Transport and Technical Services. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 32		CONTRE: 1		ABSTAIN: 0
Senator F.H. Walker		Deputy J.A. Martin (H)		
Senator W. Kinnard				
Senator T.A. Le Sueur				
Senator T.J. Le Main				
Senator B.E. Shenton				
Senator F.E. Cohen				
Senator J.L. Perchard				
Connétable of St. Ouen				

Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy G.C.L. Baudains (C)				
Deputy P.N. Troy (B)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy A.J.D. Maclean (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. Mary				

The Deputy Bailiff:

Very well. Now, before ...

Deputy C.F. Labey of Grouville:

Sir, I just heard my name read out and I was not in the Chamber for the vote. I am sorry. So I did not vote.

The Deputy Bailiff:

Very well, the Greffier will amend the record. Now, before we move to the next matter there is one matter I would like to mention. I was somewhat remiss, I think, in not drawing to the formal attention of the Assembly the re-election of 5 Connétables last night; that is the Connétables of St. Saviour, St. Martin, Trinity, St. Brelade and St. Ouen. I am sure Members would wish to congratulate them on their re-election. **[Approbation]**

The Connétable of St. Brelade:

Sir, before we proceed could I raise the défaut on the Connétable of St. Helier.

The Deputy Bailiff:

Does the Assembly agree to raise the défaut on the Connétable of St. Helier? The défaut is raised.

5. Annual Business Plan 2009 (P.113/2008): Objectives of the Treasury and Resources Department

The Deputy Bailiff:

We come next to the objectives of the Treasury and Resources Department and I invite the Minister to propose them.

5.1 Senator T.A. Le Sueur (The Minister for Treasury and Resources):

The responsibilities of the Treasury and Resources Department cover 3 main areas: firstly, direct treasury functions; secondly, income tax and G.S.T.; and, thirdly, Property Holdings and management; but the overriding objective of the department is to continue to maintain sound and sustainable public finances. I believe our record over the last 3 years shows we have maintained sound and sustainable public finances and I aim to continue that objective. The Treasury, of course, takes the lead and is the hub of all these activities and during the next year our main focus is going to be on G.A.A.P. (Generally Accepted Accounting Principles) accounting and bringing that in and also improving the procurement strategy. Both of these, I think, will be welcomed by the Public Accounts Committee; as, no doubt, will be the fact that we are doing this within a constraint of having lost 15 per cent of our operating budget. That is, I have to say, creating quite a strain on delivering the objectives which I think has been referred to already by the Comptroller and Auditor General in his comments. So far as income tax is concerned; again tax and the fiscal strategy, I think, is a success story and I would like to think that for 2009 we would be talking more in terms of consolidation of where we are and letting the significant changes bed down. But, of course, there will be ongoing work, particularly in the international field with tiers and so on. Property Holdings, the third element, has also been a relative successful story, particularly with the introduction of a new head of department who I think has breathed some fresh air and some new thinking into the department; perhaps not as quickly as some of us would have liked but we are coming to fruition now with the aim of rationalising the States property portfolio, disposing of what we do not need in order to help fund some arrears of maintenance and, finally, to operate the whole States property portfolio on a more commercial basis. Sir, in moving these objectives I would also indicate my willingness to accept the amendments of the Public Accounts Committee. We have a good working relationship with the Public Accounts Committee and, even if we do not always agree with them entirely, I think generally there is a good understanding of each others' problems. Sir, I propose the objectives.

The Deputy Bailiff:

Are the objectives seconded? **[Seconded]**

6. Annual Business Plan 2009 (P.113/2008): fifth amendment (P.113/2008) Amd. (5)

The Deputy Bailiff:

Then we have amendments from the Public Accounts Committee. The first one is amendment number 5, paragraph 2(a). I will ask the Greffier to read that amendment.

The Deputy Greffier of the States:

Page 2, paragraph (a). In paragraph (a)(x) after the words "pages 33 to 35" insert the words: "(a) except that for success criterion (vi) in Objective 2 on page 33 there should be substituted the following success criterion: '(vi) establish and implement professionally accepted project appraisal, management and control procedures to enable the viability, funding, financial management and variance analysis of projects to be properly considered and evaluated.'"

6.1 Deputy S.C. Ferguson (Chairman, Public Accounts Committee):

I note that the Minister for Treasury and Resources has accepted our amendments for which I thank him. There are various statements as to the fact that all this work is being done already, but the evidence received by the Public Accounts Committee is that it could be done very much better. This amendment deals with project planning, in other words, no blank cheques. We do need proper project planning and management. We need more sophisticated and modern standards of financial assessment of projects. The P.A.C. just feels that this should be centralised so that the Treasury keeps control of project planning and, as I say, adopts proper planning and management procedures. I move the amendment. **[Seconded]**

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on that amendment? Very well, all those in favour of adopting that amendment, kindly show. Those against? That amendment is adopted. The next amendment is that paragraph (b) of paragraph 2 of amendment 5 and I will ask the Greffier to read that amendment.

The Deputy Greffier of the States:

(b) except that after Objective 3 there should be inserted the following new Objective and Success Criteria (with subsequent Objectives renumbered accordingly).”

The Deputy Bailiff:

Do Members agree to take the amendment as read? It is quite long.

6.2 Deputy S.C. Ferguson:

I too will be brief, Sir. Objective 4, the importance of this is that the implementation and the action plan on the suggestions in the Auditor General’s report is it will be led by the Chief Minister’s Department, but it will require significant leadership and input from the Treasury. Following on from that, I will do the sub-amendments in turn. Following on from that we have budgetary accountability which is, in effect, proper performance measures for Ministers so that we can all understand how the departments have performed based on their budgets as in the service analyses in the annex to the Business Plan. The next sub-amendment is, in effect, a rationalisation, an implementation of consistency in the bookkeeping, the ledger accounts, of the various departments so that we can have proper costings. Again, this is something that must be enforced from the centre. Financial directions: again the whole internal control system of the States rests on the basis of these financial directions. They must come from the centre, but they must be appropriate for departments and they must be consistent. We have had evidence that the current set of financial directions is such that the internal control systems of departments collide with each other. We want to see this amended and brought into line. The next one is the Head of Profession amendment with regard to the Treasurer. We want to ensure that the Treasurer has the support when he is establishing financial standards across the States. He has to be able to take proper control and this is intended to assist in that. The final amendment is rational prioritisation which I mentioned in the previous debate. If there is going to be effective financial control then we do have to have an independent body which is providing some form of rational prioritisation. We have seen what has happened to the infrastructure budgets. We have seen what has happened to the maintenance budgets for property - £15 million a year we need to spend. I am sorry, this needs to stop. We need to have rational procedures. We need to have controls. We need to have an orderly financial basis, financial system, so we can provide a sound basis for forward planning. I move the amendment.

The Deputy Bailiff:

Is it seconded? **[Seconded]** Chief Minister, you were going to lodge an amendment to the amendment. Do I understand that to be withdrawn?

Senator F.H. Walker:

Yes, it is withdrawn.

6.2.1 Senator T.A. Le Sueur:

Again, just to confirm my willingness to accept these amendments. Certainly, with the appointment of the Treasurer of the States as Head of Profession there is a lot more understanding between the accounting functions of the different departments and common standards being applied? I am sure that progress will continue in the future as indeed it does need to do. The prioritisation process is one which I think is of concern to all of us and I believe that will be one of the first and important tasks of the new Council of Ministers next year. The Treasury will certainly take a lead in providing all the assistance we can in that respect, but it does need to be a co-ordinated process involving full information available to all people and maybe a process starting

from more fundamental principles rather than just tweaking what we currently we have. That will be something which I am more than happy to endorse and I welcome the amendments in that respect which I support.

The Deputy Bailiff:

Does any other Member wish to speak?

6.2.2 Deputy S.C. Ferguson:

I thank the Minister for Treasury and Resources for his comments and I can assure him that whoever is in place in the Public Accounts Committee will be dogging his every footstep.

The Deputy Bailiff:

All those in favour of adopting the amendment, kindly show. Those against? That amendment is adopted.

7. Annual Business Plan 2009 (P.113/2008): Objectives of the Treasury and Resources Department, as amended

The Deputy Bailiff:

So we then return to the objectives of the Treasury and Resources Department as amended. Does any Member wish to speak on those objectives?

7.1 Deputy P.V.F. Le Claire:

The summary of key objectives on key success criteria on page 35, Objective 1(iii), the release of surplus or high alternative use value properties to provide funds to support capital investment with a strong focus on progressing sites which may be developed for social rented or private sector housing, is tied in with the key aim of a disposal programme. Could I ask the Minister to give us an undertaking that in respect to Fort Regent in particular, and other such areas as Fort Regent that have a huge impact upon the people, that any proposed changes will be brought to the States for debate? One wonders what is happening with the swimming pool site that is sat there on the hill at the moment and how it is that the States have been able to leave that building sitting there not doing anything in an Island that is never at rest with the constant development that the private sector undertakes. It is a hugely important strategic asset and one wonders if it is just not being left there to fail so that it can be palmed off into the private sector who are rubbing their hands gleefully waiting for it to be dumped on them so they can rescue us from its ills. It has fantastic potential and it has been severely unappreciated for many years now. I appreciate we may not want to get into a debate about what we are going to do with Fort Regent and I do not want to, but will the Minister please assure the Members that when it comes to the release of high alternative use properties that those do come back to the States, such as the Girl's College, St. Saviours Hospital, Fort Regent, et cetera? Those are very important. Also, a commitment for the town park, that there has been progress with respect to the fuel farm area and Jersey Gas and the Environment Scrutiny Panel Chairman and myself did attend upon the Council of Ministers to talk about how we could switch some of the land asset resources at La Collette for some of the properties in the Jersey Gas portfolio, both in town and out of town. I wonder if the Minister is prepared to look at those to help achieve a better town part and soon, and also to look at the other assets that were mentioned that are also outside of town.

7.2 Deputy F.J. Hill of St. Martin:

Yesterday I mentioned about my patron saint being St. Jude, the saint of all lost causes, and I would like to draw attention to the issue of Property Holdings and to my colleague on my right, and he knows what I am going to talk about, and that is the lost cause at Maufant Village and field 690 and the old and new village and looking across at Deputy Hilton who gave an assurance which unfortunately was not kept once she left office that nothing would happen on field 690 until all the i's were dotted and the t's were crossed in ensuring that the footpaths, the roads, et cetera, were all

refurbished in Maufant Village. Nothing has happened and now 690 has now built and it has got the houses in there, and yet we still do not have the roads and footpaths issue sorted out. I was very pleased indeed. We did have walk around the village many months ago and we had a very enthusiastic, and I know he is still very enthusiastic, Assistant Minister. What I would like to do on behalf of the residents from both St. Martin and St. Saviour, Maufant Village, is again make a plea to Property Holdings, please, when are we going to get the issue sorted out and the sooner the better?

7.3 Deputy J. Gallichan of St. Mary:

I also would like to raise the matter concerning Property Holdings, dealing specifically with Objective 2, success criteria (i), the backlog of maintenance which we are told will be dealt with through the introduction of remedial works in a phased and prioritised programme plan. I obviously do not have details of the priority criteria. What I would like to do here is implore the Minister, if he does not already do this and he can advise me if he does, to ensure that the social value of buildings as well as their economic value is taken into consideration when dealing with those priorities. Here I am talking specifically about St. Mary School which is looking decidedly shabby alongside some of its neighbouring schools, a cause of concern to the parishioners, pupils and staff. I would just like to say that pride in one's environment both built and natural is something that should be instilled in children as early as possible as it leads to respect for property in later life. I would like to say that I would be very grateful for any reassurance I can have that this will be treated with due priority.

7.4 Deputy K.C. Lewis:

In a similar vein, Objective 1, will the Minister and his assistant agree to liaise with the Minister for Planning and Resources and the Minister for Housing to see if any of the parcels of land that are due to be sold off could be used for social housing before they are sold off to a developer?

7.5 Senator J.L. Perchard:

When the Minister asks us to endorse his proposals for next year could he just cover the point about financial forecasting of income, particularly income to do with taxation? It appears that the preliminary indicators are that the forecast for G.S.T. income is in the region of 15 per cent out and that the possibility that the forecast for income from financial services companies may be inaccurate as well. Can he advise the Assembly as to the robustness of the forecasting, particularly with regard to income through taxation and that he intends to ensure that the information provided by the Treasury to States Members is as accurate as possible?

7.6 Deputy J.A.N. Le Fondré of St. Lawrence:

It is really just to clarify 2 points from the Property Holdings' perspective, one in relation to Maufant Village. As the Deputy is aware, tenders are out for the work and essentially what we are trying to quantify at the moment is the amount of money involved, the amount of money we have available and then trying to square the 2 ends of that equation. I am basically in the hands of when those tenders come back in and then we will obviously, as the representatives know, be discussing it with them. It has taken time as the Deputy knows. The second point about ensuring the social value of buildings, certainly there are buildings that come across my brief from time to time where we do occasionally give a different criteria to how they are treated, but generally the big issue is value and maintenance. To address part of the Deputy of St. Mary's point, I would refer Members to page 78 of the Draft Business Plan as opposed to the annex which talks about structural underfunding and there are 3 issues I have just briefly circled in there. One says that based on industry benchmark standards the current annual maintenance allocation is in the order of £6 million less than that required to keep properties in good order. The second point is that this has reached a critical point whereby the ability to ensure the State is safe and compliant with statutory obligations is now under threat and, therefore, it is stated in order to meet this target - which was the reduction of £1.5 million in the Strategic Plan which is enforced on the department - Jersey Property

Holdings has been obliged to defer all non-essential maintenance to future years and that is the reality we are facing at the moment. I may address that a little bit more later on in the overall debate.

7.7 The Deputy of St. Ouen:

I have only one question to ask the Minister for Treasury and Resources. Under Objective 1, success criteria (vii), it states: "Assess and collect £510 million of Income Tax and Goods and Services Tax in 2009." I am rather curious as to the precise number used in this success criteria and I would be interested to know not only his thinking behind it, but would he consider it a failure if this sum was exceeded?

The Deputy Bailiff:

Does any other Member wish to speak? Very well, I call upon the Minister to reply.

7.8 Senator T.A. Le Sueur:

To Deputy Le Claire about Fort Regent; if he observes the recently published success targets of the Council of Ministers he will see that the issue of Fort Regent and the ongoing use of Fort Regent has been a matter for discussion between my department and that of Education, Sport and Culture. That report has now come to fruition and it is going to be discussed by the urban renewal task force. Certainly, before anything is done with Fort Regent that will come back to the States and, indeed, any property which the States chooses to dispose of do come to the States for discussion and approval before they are sold. That will continue to be the case for Fort Regent should anything in that respect materialise. As for the town park and the possible relocation of the gas works to La Collette; I think that is a suggestion which has been looked at, but I do have to point out that there is a lot of infrastructure works in respect of gas mains not just of Gas Place, but throughout the town of St. Helier and to relocate those gas mains would be a mammoth undertaking, but certainly the point is usefully made. The concerns of Deputy of St. Martin about field 690 at Maufant I think have been addressed by my colleague, the Assistant Minister for Treasury and Resources, and I am pleased that at least some progress is being made on this one. I know it has taken longer than the Deputy would have liked, but I think he can take comfort from the fact that things are happening. I can give perhaps rather less comfort to the Deputy of St. Mary as far as St. Mary School is concerned, not because I regard it as a low priority, but because as my Assistant Minister has said, we are faced with a situation at present where maintenance has to be prioritised between what is necessary, what is important, what is required to meet our legal obligations, and there are some statutory maintenance work at moment which has not been carried out in the past, and our first duty is to reinstate that to a stage where at least we can comply and at least be seen to be legally responsible. So much as I would like to do the work at St. Mary School, which I appreciate is rather - I will not say shabby - less high quality than many other schools, it has to take its place in the pecking order. The issue of under-funding of maintenance is one which is referred to throughout the report and is something which has to be addressed in the next Strategic Plan because I think we are all concerned about the level of funding of our infrastructure. Deputy Lewis asked if we can ensure that we liaise with planning before any property is sold and make sure it is used for social housing than for speculative property developments. Yes, that does indeed happen. Any properties which are potentially up for disposal there will, first of all, be consultation with all other departments, including the Housing Department, to see if there is a use for social housing and if that use is required then that would be the first call on that site. Senator Perchard talks about the forecast of tax revenue and criticises, perhaps, the fact that G.S.T. forecast was 15 per cent out. I think he may be mathematically correct on that one because the forecast was based on figures which were some years out of date and not recalculated, but I think it is a more serious question in respect of the general robustness of our financial forecasts. Despite the fact that there are times when it appears that we under-estimate our financial forecasts those under-estimates normally occur in times of economic growth, on upper part of the economic cycle. My fear is that now we may be approaching a levelling off or a downside of the economic cycle our forecasts may

again not be accurate, but may be too optimistic rather than too pessimistic. Just by way of comfort, this issue was raised with the Corporate Affairs Scrutiny Panel earlier in the year as a result of which a panel has been looking at the robustness and the methodology by which our financial forecasting, our forecasts of tax revenue, are calculated. It is inevitably an inexact science and in the overall context and looking over a period of years our forecasts are realistic and reasonable, but I think it does maybe highlight the danger of us as the States trying to plan an entire Business Plan on the basis of one year's financial forecasts. We should be looking at longer term trends and looking at a longer term sustainable situation and that is why, in terms of my Treasury strategy, one of my key objectives is to make sure that we are balanced over a 5-year period. I thank Deputy Le Fondré for responding to some of the questions about maintenance, but as far as the final question from the Deputy of St. Ouen is concerned, re-reading the objectives myself last week - and I saw the £510 million figure - I then looked at the financial forecasts and the financial forecast show £520 million to be raised in 2009. If the figure is higher than that I shall not be disappointed in any way whatsoever. Maybe we should have said assess and collect at least that much revenue. What I think it does indicate is that we should not fall down on the collection process. It is one thing setting a financial forecast and saying this is what we should be able to raise - the reality is we have to make sure we do go out and raise and collect it. I have to say, when one looks at the arrears of taxation over previous years the arrears are relatively low and we have a good standard of collection, I think particularly since we began imposing penalties a few years ago on those who are late payers. But again, with both that and the move to I.T.I.S. (Income Tax Instalment System) which is more tax payers into a more current tax paying situation that becomes an easier process. Nonetheless, it remains an objective. I think that has dealt with all the questions raised by Members and I maintain the objectives.

The Deputy Bailiff:

All those in favour of adopting the Treasury Resources objectives, kindly show. Those against? The objectives are adopted.

9. Annual Business Plan 2009 (P.113/2008): Objectives of the Airport and Harbour

The Deputy Bailiff:

We come next to paragraph (a)(xi), the objectives of Jersey Airport and I advise the Assistant Minister to propose them.

9.1 Deputy A.J.H. Maclean of St. Helier (Assistant Minister for Economic Development - rapporteur):

If I could first of all apologise for the absence of Senator Ozouf who has regrettably had to go to a funeral. I would also like to, if I may, seek the agreement of the Assembly to deal with both the airport and the harbour in one go? Would that present any problem, Sir?

The Deputy Bailiff:

Does the Assembly agree to take them both together? The Assembly does agree, yes.

Deputy A.J.H. Maclean:

Thank you. Members will have had the opportunity to review the objectives for both the airport and the harbour on pages 36 to 38. I will, therefore, try to concentrate my comments on highlighting some key points. The overriding objective for both our strategic assets is to ensure that they are well managed and able to meet the economic and social needs of the Island. While we continue to focus on the airport's ongoing financial viability, 2009 will present some major challenges especially in light of unfolding economic uncertainties. Costs have been forced upwards, especially essential safety and security compliance. Meanwhile there is a downward pressure on existing revenues. Not least of these is a strong market pressure from airlines to reduce airport charges which, of course, is our main source of income. Without competitive pricing Jersey would struggle to maintain and grow its network of routes to the U.K. and to Europe. Over the last

2 and half years our recognition of the importance of growing passenger numbers for the benefit of the Island has been clear. It has, in particular, resulted in a far more commercial approach in our relationships with, and negotiations with, airlines. The strategy has worked and Jersey has more routes, more airlines and seen passenger numbers increasing year on year with the largest increase since 1993 achieved last year. This year despite the emerging economic difficulties, especially in the U.K., passenger numbers are again up 6.3 per cent year to date. In 2009 we will have to work especially hard to maintain this position with rising costs, especially fuel, and possibly fewer passengers travelling impacting upon the viability of some routes. To ensure that we are in the best possible position to retain Jersey's increasingly competitive position with airlines attention is being applied to other commercial revenue streams. This will include careful assessment of progressive development of land and retail opportunities. As part of this consideration a master plan for the airport is being prepared and should be ready by mid-2009 which will address the long term sustainable development opportunities for the airport. Jersey Airport has embarked on a major programme of capital works to ensure safety and compliance is maintained under increasing international regulations. This will be ongoing through 2009. 2009 will be a challenging year for Jersey Airport, but one I am confident we are in the best possible position to be able to cope with. At Jersey Harbours there is an ongoing programme to ensure that all essential assets are fit for purpose. The proposed annual increase in freight and passenger dues of 2.5 per cent follows States policy. However, this is a reduction in real terms for all our customers. It does, however, constrain our ability to pass on rising input costs and naturally has an effect on profitability. Income budgets have been restated based on 2007 activity levels, but with the disappointing withdrawal of H.D. Ferries, I must warn of a potential challenge to the income stream during 2009. The policy of a 2.5 per cent cap on harbour charges is being reviewed as part of a study that will deliver a new financial model for all Jersey Harbour's activity. This will be complemented by a large scale customer survey that will help inform future direction for each of our business units. This survey recognises a much clearer focus on the customer and the customer's needs. We will also be benchmarking the modernised activities of Jersey Coastguard against the U.K. Coastguard with a variety of minor capital items against which we plan to have an audit in 2009. Marine leisure is an area of our business that presents the greatest scope to deliver revenue growth. To take advantage of these opportunities will require capital investment in new facilities as reflected in the future capital programme. We will be purchasing additional pontoons and working in partnership with W.E.B. (Waterfront Enterprise Board) and Property Holdings to deliver on new opportunities to include those that fall within the East of Albert programme. The introduction of the Jersey Boat Show in 2008 was a resounding success with more than 12,000 visitors, but more importantly it presented a fantastic opportunity for small local marine leisure businesses to showcase themselves. The 3-day event resulted in more than £4.2 million of sales. We have, therefore, just announced that the second Jersey Boat Show will be a key event in the programme for 2009. All our activities are aimed to protect and further the long term interests of port users and to promote competition, efficiency, economy and effectiveness in our commercial activities. Jersey Harbours will also face a challenging trading year in 2009 and in order to meet these challenges we will need to continue to seek out cost reductions, further improved customer service and exploit new opportunities. I commend the objectives for both Jersey Harbour and Jersey Airport to the House.

The Deputy Bailiff:

Are they seconded? [**Seconded**] Does any Member wish to speak?

9.1.1 Deputy R.C. Duhamel:

Members of this House and indeed members of public could be forgiven for not seeing the elephant in the room. I have been listening and reading the outline programmes for work for the department and although we have had a number of Ministers and other Members suggest that there already is an element of work that is being undertaken and indeed perhaps there is even a bigger element of work that will need to be undertaken to determine what happens for the harbour area, some

suggestion has been made that we are looking into new harbour facilities and indeed all the other bits and pieces that would go into what might well turn out to be a very expensive long term capital programme. On the basis of those discussions that are taking place and indeed some monies have been spent, I am told, on reports from consultants to advise on the potential opportunities for redevelopment in this area, it does surprise me that no mention is made by the Jersey Harbour Department or sub-department or indeed the other major driving departments. It is not there as a strategic aim. It is not mentioned by the Chief Minister as to a repositioning of port facilities. It is not mentioned by Treasury and Resources that we should be looking ahead to larger capital programmes that will have to be funded, if indeed they are worth supporting. It is not mentioned by Transport and Technical Services properly within their work programme nor indeed by Planning and Environment. It does strike me as being a little bit odd that if this work is being undertaken and undertaken seriously and I think perhaps it should be, i.e. replacement of the fuel farm facilities perhaps offshore or in a different way, laying down new roads, building a new port, residential accommodation and all the rest of it. Why is it not within any of the programmes? This is the Annual Business Plan to at least indicate what is going to be taking place into the future. It does make some attempt to outline whether or not works that are going to be ongoing into the future are highlighted to some extent and the States Members are warned as to impending capital implications or indeed revenue implications and yet, as I say, there is no mention whatsoever. I do not think this is an oversight. I think going back to some comments made by Deputy Ferguson perhaps this is an indication of how the States works. We leave the biggest things that are probably the most contentious out of the equation and we do things in a drip fashion because we are worried about the arguments that might ensue should the projects not get the support. It is really not the way to progress things. It is probably a little bit unfortunate that I have left my comments to the section on Jersey Harbours so I am not pointing a finger at my colleague next door to say that he is directly responsible, but one would have expected that if indeed Jersey Harbours and Economic Development are party to the discussions - and I believe they are - as to what will be happening or might be happening in this area, and there are revenue and capital implications, then indeed some mention might have been made in the ongoing work programme for next year and a reference made to what might be coming in the years ahead. I would like a comment perhaps from the Assistant Minister and any other Ministers in their speeches might be able to shed a little bit of light as to what is happening behind the scenes and behind closed doors.

9.1.2 Deputy C.J. Scott Warren:

I would firstly like to commend the Assistant Minister and the Minister for Economic Development regarding the increased air routes and links that have occurred over the past year. I would also like to say that when there was a very bad period of fog just before Christmas last year it was excellent to see the Minister for Economic Development at the airport talking to stranded passengers and helping them and that was something that I did think was good. **[Laughter]** Certainly, he did give a bit of support. I hope that encouragement can be given by the Minister and the Assistant Minister and their department to maintain all the routes to U.K. destination air links on a year-round basis. I recently found out that the Jersey-Doncaster route is a summer-only link this year. In relation to Jersey Harbours under Objective 1, I make the same point as the last one I made, the importance of having a year-round service for all operators. I hope there can be competition and that can work, but I am reassured otherwise that there will be regulation of the existing provider.

9.1.3 The Connétable of St. Brelade:

If I may restrict my comment to the Jersey Harbours on page 38. I note that the Coastguard has received a lot of attention and Objective 1(v), Objectives 2(iv) and (v) and Objective 3(iii). I am not quite sure what the ulterior motive is here, but I would first of all say that the role of the coastguard in the Island is very much appreciated by those who use it and take advantage of its facility. I am slightly concerned that on Objective 2(iv) that reference is made to align it with the U.K. Coastguard. That is all well and good, but we really ought to be aligning more to France than

the U.K. because it is so much closer [**Approbation**] and most of the nautical activity around here takes place between Jersey and the French coast. I am slightly concerned about the reference of the funding review of the coastguard and other community functions with agreed policies on Objective 3 and I am just hoping that the Economic Development Community are not trying to get out of funding the Coastguard service.

9.1.4 Deputy S.C. Ferguson:

In the Public Accounts Committee report it was quite obvious that there was no clear and rational policy for the management of trading funds. In fact, the Treasurer said there is not a clear policy. Many years ago the airport ceased to make a return. The harbour has only made a nominal return for many years. That appears to be the current policy. If there is no policy, why is one not being developed? We also said that there should be a proper system of commercial targeting for trading funds, particularly places like the harbours and airport based on normal commercial principles. We have also noted that proper commercial accounts for the trading funds conforming to G.A.A.P. are not published and we see no reason why these should not be published because in fact these figures are kept by these 2 particular trading funds. Would the Assistant Minister, under the various objectives, please tell us what work he is doing with regards to these points?

9.1.5 Deputy S. Power:

If I can ask the Assistant Minister a question first about Objective 1 which is growing passenger numbers by increasing the network of destinations. My question is related to destinations and specifically to charter flights. I want to ask the Assistant Minister what his department's objective is in growing the charter market out of Jersey on direct flights to other destinations - that is the first question. The second question in relation to that is that I am aware that there were 2 recent direct charter flights, one to Verona and one to Madeira, and the carrier declared Jersey to be part of the U.K. and because of that cabin crew were not allowed to sell duty free and I wonder whether the Assistant Minister would like to investigate that to clarify with charter operations that they are clear that Jersey is not part of the U.K. and they are entitled to sell duty free from outside the E.U. (European Union) into flights into the E.U? My second question relates to Jersey Harbours and Objective 2, to provide competitive commercial and community services. Objective 2(i), to increase the number of bulk berths and associated ancillary businesses - quite happy with that, Sir. Point 2, customer user groups, I would like an assurance from the Minister that in any future plans to develop a marine in the area of commercial buildings in English Harbour and French Harbour that those existing owners of small boats, particularly small sailing boats of up to 26 feet and twin keel boats that sit upright and dry out, that he will have full consultation with them in any future plans to float that area of the harbour and that the consultation process will allow for the continued use of these boats that are on limited budgets and the owners cannot afford marina charges. Deputy Duhamel made a brief reference to this and my question again was in terms of the future growth of the harbour can the Assistant Minister give a possible indication of the future costs of a new passenger and freight terminal at La Collette III? Finally, the Assistant Minister made reference to H.D. Ferries. I would like to make a very short comment on that. I was disappointed in the loss of H.D. Ferries because I did a lot of work with the disaffected Emerald customers who did transfer their loyalty to the company. I had a great deal of contact with H.D. and it is to my disappointment that the situation has turned out as it has. However, while some of the reasons for H.D.'s pull out have been put in the public arena, not all of the reasons have been put in the public arena and some events occurred that were completely unpredictable within the management of the company, and that was a reason for the company pulling out. So I would be grateful if the Assistant Minister would address my queries in his summing up.

9.1.6 Deputy G.P. Southern:

Will the Assistant Minister accept that while he can properly claim success in terms of increasing passenger numbers at the airport, an end result which produces an absence of winter flights, for example to the north of England, is indeed a failure and the sudden withdrawal of some lines from

airports earlier than expected come down to the absence of proper and firm service level agreements with these airlines and similarly, was it not fairly obvious to him at the very beginning at the harbours that H.D. was openly coming to cherry pick the summer trip trade and would be abandoning Jersey in the winter notwithstanding it has abandoned even earlier than many were predicting? Again, this comes down to the absence of decent, tough service level agreements that can be enforced. Is it not embarrassing to the Assistant Minister that his Minister should now be talking about regulating the entire services at the harbour when the policy officially has been this free market policy: “We will be all right, Jack”, dependent upon decent, hard service level agreements to ensure a decent level of service and that represents a failure on his part?

9.1.7 Deputy P.V.F. Le Claire:

I do not know how Deputy Southern feels about the rest of the work that the Assistant Minister has been achieving, but I personally think that he has done an excellent job in the last few years. **[Approbation]** I do not know how much experience he had prior to getting into States politics in relation to passenger numbers, airports, harbours, et cetera. Unless he has been studying secretly while he has been running his other business, I think he has hit the ground running. I think he has done a fantastic job and needs to be congratulated. Obviously, that extends to the Minister and his department, but I think, in particular, with this high regard for the other Assistant Minister in his assigned duties. I think the Assistant Minister, Deputy Maclean, has done a fantastic job. I would like to ask him, we have Gatwick up for sale at the moment **[Laughter]**, if this raises any potential concerns in respect of securing landing slots into London and the London area for the future and what is being done in that regard, what is being looked at, because obviously the London link is extremely important for our finance industry, and I think that representations need to be made to the British authorities that if a sale is going to have an impact upon our ability to operate then that needs to be taken into concern when the sale is transacted. I would like to make sure we are not taking our eye off the ball there. I particularly think in relation to Objective 1(iii), and specifically getting back to this plan, grow number of destinations by at least one new destination per year and I was very pleased to hear Deputy Sean Power from St. Brelade speaking about charter flights because I used to travel with the Jersey Across Group to Lourdes with the people with various forms of disabilities. We used to take them down to Lourdes and it took us 14 hours on a bus to get from Jersey. We had to first of all get them all on to the boat which took an hour and then an hour to get off the boat and then 14 hours from there in a bus down to Lourdes, so we were looking at 17-18 hours of journey with people that wanted to get to the part of the Pyrenees, and a tremendously arduous journey it was for us and for them especially. One year somebody took the initiative to charter a flight starting in Ireland which landed in Jersey and went on to Lourdes which is in the heart of the Pyrenees, 2 hours from Biarritz on the border of Spain. It took an hour from Jersey to get there in this plane and I found it remarkable that we could be in that part of the world in an hour when it takes us that long to get off the plane in Gatwick. Surely there must be some opportunity to that part of the travelling destination. Lourdes has 8 million visitors a year and there are a lot of them coming from the United Kingdom, there are a lot of them coming from Ireland. Eight million people a year go to Lourdes. I am not suggesting specifically that they would all want to go to Lourdes but the South of France, the north of Spain, an hour from Jersey surely must represent an opportunity. Would the Assistant Minister agree if he continues in this area to look into the charter flights? Also in specific relation to carriers, I think easyJet was a tremendous addition, Ryanair is expanding its services, it has an active programme of expanding its fleet, it is very hungry for business. What has been done in approaching Ryanair, if anything has been done? What has been done at the moment? Are we keeping the doors open for them and are we proactively engaging with these types of companies and visiting them and asking them if we can do business with them?

9.1.8 Connétable P.F.M. Hanning of St. Saviour:

Regarding Jersey Harbours, my concerns are about the small boat users in the old harbour who cannot afford marina berths and the fact that putting a marina there will reduce the number of berths. It has been raised in more detail by Deputy Power and I will not repeat it.

9.1.9 The Deputy of St. Martin:

I would like to join in with the compliments being paid to Deputy Maclean, I think he has been doing a good job since he has been in the States and in these particular 2 areas, and I do not want to spoil his fun but I would hope that maybe I can get him to address what is very much an affected area, and that is the pickup and drop off points at the airport. Particularly for those who have children and those who are disabled or have difficulties in carrying luggage, et cetera. I think we all know that when you get to the airport there is that area outside the departure area where, providing whoever is on duty there uses a bit of commonsense, there is sufficient time to assist the person you are taking to the airport to the check-in point and get back to your car and go away. However when you come to the pickup area there used to be a free 20 minute period where you could get your ticket through and pick up your person or passengers and go off, and that was stopped some time ago, and even the area around where the bus stop was, there were a couple of areas there for disabled people, et cetera, and even that has been removed now because we have, I think, just useless flower boxes that almost seem like something that need not be there at all. What I would like to ask the Minister really is when one works out the cost and the inconveniences of it, why cannot that free 20 minute period be put back to the car park area where you do pick up? Surely most people throughout the Island do not want to spend ages there, the most they will want is sufficient time just to pick up, even if it means waiting a couple of minutes, but could I ask what sort of cost is it to the airports authority that makes that free 20 minute period so, so important? Because really I plead for those who have children, and particularly those who are elderly or disabled, it does seem totally unfair to have to pay 50 pence for the privilege of picking someone up when I think really here we could be doing that for free. Thank you, Sir.

9.1.10 Deputy J.B. Fox:

I echo the support given to our Assistant Minister since he has taken over. He has been going through positive times. The essential air routes and sea routes have considerably improved but yes, we are going through difficult times. I want to principally concentrate this morning, if I may, on the sea routes. As you know it is an area particularly of concern to me, because sea routes especially are part of our economic key to the success of the Island and we need to make sure that we have continuity, reliability in a very broad sense to be able to keep the economy of our Island going. Yes, we have had the uncertainties on the French route especially and the costs of running the northern route to the U.K. but I think that the departure unexpectedly of our second carrier has now made us all wake up, that we have to do something that just does not rely upon the commercial operators doing what commercial operators do. O.X.E.R.A. (Oxford Economic Research Associates) have done an extensive report on the various options, including price control which the Isle of Man adopted to ensure that they had reliable sea routes all the year round. I know that E.D.C. (Economic Development Committee) is looking at it, re-examining, but what I would be asking, or am asking of the Assistant Minister, is what timescale are we going into it? This is not just about leisure for passengers, leisure car passengers, this is also about freight and having the right type of vessels that can reach the markets, our fish exports, for argument's sake, our fresh fruit and vegetables, et cetera. We also have other commercial sporting events such as racing, motor racing and other things that require regular service to be able to support our Island to play a full part, and it is essential that we ensure that we just are not relying upon one carrier, regardless of how good the service the one carrier provides. It can make us vulnerable from outside forces and therefore we need to ensure that that carrier that is remaining at the moment is also safeguarded to ensure that it can provide a good all-year round service with vessels that can be sustainable and that are replaced when required, and ideally that we are outwardly looking to other carriers to support, to increase the options that are available to the Island and especially by 2015 when the Port of

Granville will be hopefully having a roll-on roll-off service that will facilitate commercial freight and passenger traffic to the Island. We too are grateful to the nearby coast of Normandy for its increased passenger travel that has recently in the last 2 or 3 years come on to the market and although they suffer from weather they provide a good service. But we had a delegation from Brittany at the end of last week, they visited the Island but they were very disappointed at the state of the gents' toilets on the Albert Quay which was brought to my attention as I was seeing them off, down at the harbour. We also promised that we were going to upgrade the facilities of the Albert Quay terminal and we have gone some way to improve it from what it was, but it was referred to me as something that they would have expected in France 10 years ago but which would not be acceptable nowadays, so it is an area that we need to improve. Yes, it has improved on what it was, but it still needs further investment. People's expectations are now far greater than what they were, and of course with the cost of travel now there is even greater expectations. I am going to leave it at that point, but I hope that the Minister will give me some reassurance that he will re-form the small working group that can have the opportunity of having their say representing the various organisations so that the best possible options can be brought into play and improve that which exists at the present time for the benefit of the Island and the people that trade or travel to and fro. Thank you, Sir.

9.1.11 Connétable T.J. du Feu of St. Peter:

The Assistant Minister informed us that a review was going to take place on the future planning of the airport. My question relates really to the extent that some years ago this House adopted what was known then as the 20/20 plan which was to last us for a further 12 years. Being that we have only seen part of that development take place, is the plan to review the existing 20/20 plan or are we in effect starting afresh with a clean sheet of paper again? I would sincerely hope not, because that was commissioned at considerable cost at the time and I fear that if we are going to commission further reports it is only going to add to that expense. On the harbour front, one thing that does annoy a vast amount of Islanders when they go to leave the Island on ferry services is the cost that they have to pay when going from here to the U.K. compared to that coming in the other direction, because it appears that there is a rather strange pricing policy which is certainly not in the best interests of the Islanders, and a provision to perhaps deal with that I would suggest might be that in the event of changing times and changing ownerships of various companies over the years. In fact right at this moment with the ferry problems, I would suggest that a clause be written into any future contracts which would enable a review to take place or revisiting the contract with the previous holder when a new person is coming on the scene, and if there are experiences that have been seen and felt to the detriment of the Island, that they may be readdressed and that we would be in the full control of that contract before we sign any new one with new owners, rather than just taking carte blanche and carry on as before. Thank you, Sir.

9.1.12 Senator J.L. Perchard:

I too would like to join in the congratulations of the new momentum at Economic Development and the impetus that the Assistant Minister is putting into that department. The emphasis at the harbours and airport is certainly customer-led now, and the strategic ports, the emphasis is surely about the easy, efficient movements of goods and the travelling public, and I think that is what these ports are about, and I would congratulate Economic Development and all those involved at harbours and airports for ensuring that the emphasis is about the customer and the consumer. But also a pat on the back about the boat show, which I think is a great initiative. It celebrates our maritime past and of course it puts Jersey firmly on the map in developing its marine future, and I think it is a great initiative. A question, Sir, for the Assistant Minister, if Members or he can go to page 105 of the annex to the plan, it is about the harbour's estimated income from passenger port and terminal income. I see the Assistant Minister struggling. Page 105. The restated estimate for 2008 of passenger and port terminal is nearly £3,274,000 and the estimate for 2009 is some £750,000 down on that. I just wondered why, and perhaps the Assistant Minister when summing

up could inform the Members as to why, the estimate would be some 25 per cent lower than this year's?

9.1.13 Deputy C.H. Egré of St. Peter:

In Objective 7 for the airport it indicates the implementation of best practice policies to meet safety, security, environment and corporate governance requirements. The Assistant Minister will be aware of the ongoing problem that we have had with the environment regarding the pollution caused by pethos. This has been ongoing now for nearly 10 years. We appear to be still at an impasse where the people who have suffered the pollution have not been compensated. Could he reassure through this meeting that something will be done and will be done soon, because we cannot tolerate this ongoing problem.

9.1.14 Connétable K.A. Le Brun of St. Mary:

Riding on the back of several people this morning who have mentioned about the extra facility or the extra possibility of the freight from St. Malo, because it has many, many aspects. I know that the increase in volume of visitors through the harbour has come about, and I think that was mainly due to the other service of H.D. Ferries, which we are all aware of what has happened. But also I think it has to be brought up, and I would ask the Minister whether at this moment in time they are progressing or seeking to find an extra operator or are they just having their fingers crossed that somebody might come along and provide that extra service, because I think it is very important. I know it is to get the right balance nevertheless, but it is very, very important for several aspects. Obviously from the tourism point of view because there are many people that drive down through the Continent and arrive at St. Malo and then come across to Jersey for 2 or 3 days and such like. If there is not the facility there for an extra operator one has a feeling we will tend to lose out on that. Also I would like to point out to the Minister, as well, it has a very marked effect, I believe, on all the sporting fraternity in the Island, because we are getting well known and the standard of sport is exceptional in many, many areas and more and more of the sporting fraternity do look and are actively going across to the Continent now rather than the expensive route to the U.K., and it is within this as well I feel that I would like to think that they would be actively involved looking for an alternative one to keep the prices down well and to help the whole business within the Island, tourism and the sporting fraternity as well. I know having spoken to several people they are very, very concerned that this extra facility, and keeping the prices down and suchlike, is very, very important. More so from the Continent now than, as I say, from the U.K. and it is a very important issue, I feel, and I would like to feel that the Assistant Minister is looking to promote rather than, as I say, just keep fingers crossed and hope that somebody might decide to come on to the route as an extra one. Thank you, Sir.

The Deputy Bailiff:

Does any other Member wish to speak? Very well, I call upon the Assistant Minister to reply.

9.1.15 Deputy A.J.H. Maclean:

Can I seek your guidance first of all? There have been quite a lot of inquiries, questions from Members. I am noting the time. Happy for me to go quickly? Right, okay, we will try and rush through. I did not want anybody to feel they were not getting a fair response to the questions. I will try and answer all the questions apart from where there are duplications. Deputy Duhamel raised some points, I think he was concerned that there was some intent to cover up potential capital expenditure. I should perhaps draw his attention to the fact that we are in fact referring here to 2009's objectives. I think his points were relating to the further and greater plans for the harbour area, in particular those relating to potential for moving the port and development within East of Albert. A lot of that work is still underway, there is a working group in place at the moment which is chaired by W.E.B., it does include planning, T.T.S., Economic Development and Jersey Harbour as part of that organisation. That is work that is still very much in progress, there is a great deal more to be done and that is the reason that there are no specific details contained within 2009's

forecasts and objectives, because it is much further down the road. So I can assure the Deputy that there is no question of us wishing to leave out any contentious issues with regard to this matter. With regards to Deputy Scott Warren I would like to thank her first of all for her very kind words, and I can assure her that year-round services are something that we are always keen to maintain if we possibly can but I am sure Members will appreciate that it is very much an economic issue as far as individual airlines are concerned. They will operate where they can make money, it is quite as simple as that. We will always encourage the best coverage of routes that we can to the U.K. and indeed Europe. We cannot always guarantee clearly that they are going to be year-round, it depends on the take up from the members of the public. She made the point about H.D. Ferries and I think we all share in the great disappointment of that service ceasing for the second time during the winter period. Quite simply competition is at the heart of policy with Economic Development. We do recognise clearly that if competition is impossible then there will be a need to regulate. We cannot be in a position where our essential sea routes are compromised in any shape or form. It was a point that Deputy Fox was also raising. If we cannot get alternative competition on the routes in question then we will regulate. It is a matter that will be handled with the assistance of the J.C.R.A. (Jersey Competition Regulatory Authority) and we are at this moment in time monitoring very closely what is going on with regard to our sea routes, the pricing and the quality of the services that are being produced. Members will also be aware that Condor recently secured a sale to a large organisation called Macquarie. We have had initial discussions with them, I have to say that those initial discussions have been very positive. They do have some interesting plans for continuing the development of the services, both freight and passenger that Condor currently offer, and I would hope that once they have had an opportunity to progress these that the Island will see some benefit to the services provided. The Constable of St. Brelade raised some points about the Coastguard, in particular. I think he was concerned that there may be some ulterior motives with regard to our concentration on the Coastguard. Quite simply the Coastguard services are essentially important to Jersey. We are very much an Island with a strong boating fraternity, it is important the Coastguard services provide the necessary, safe coverage for those people. It is right in our view that we should be looking to benchmark against the U.K. The U.K. Coastguard is recognised as one of the finest and to ensure that we are meeting the necessary standards set by the U.K. Coastguard is absolutely right, although I do take his point that the French are nearer at hand, it is merely standards we are looking at in ensuring that we meet those as best we possibly can. Deputy Ferguson's point about the financial arrangements of both the harbours and airports, I wholeheartedly agree with her. I think she is absolutely right, there is a great deal of work to be done with the trading elements within the States and the harbour and airport are clearly at the heart of that. Moving towards G.A.A.P. accounting, it was mentioned earlier by the Minister for Treasury and Resources, will assist that process enormously and both the harbour and the airport are at the moment going through a process of valuing their assets. There are many aspects to it in order to deliver what the Deputy is talking about but she is absolutely right, the forecasting, the delivery of accounts, the publishing therein and the way in which the departments operate their finances need to move forward and I think she is correct.

Deputy S.C. Ferguson:

Clarification, Sir. When? What is the Assistant Minister doing about it?

Deputy A.J.H. Maclean:

What is being done about it is in line with Treasury. It is not something that the individual departments can deal with, and the Deputy will appreciate this, alone. They are working closely in conjunction, both trading arms, with the Treasury, with the move towards G.A.A.P. accounting to reposition the businesses in a way in which they will be able to deliver more of the financial information that she is suggesting should be delivered, and I agree with her. To give her a precise time is very difficult indeed so I will not try to attempt that at this stage, but I agree that it should be done as quickly as possible.

Deputy S.C. Ferguson:

Clarification, Sir. I think if the Assistant Minister consults with certainly the harbours and the airport I think he may find tucked in the left-hand drawer of the desk a copy of accounts prepared under the G.A.A.P. process.

Deputy A.J.H. Maclean:

The Deputy is right. The airport and the harbour have been moving towards G.A.A.P. accounting for some time but indeed there is a great deal more work required to be able to be compliant in that area, and in fact the Comptroller and Auditor General has also attended upon both departments and expressed views on this matter, and I am sure the Deputy with her position in the Public Accounts Committee would be well aware of that, or I would certainly hope that she is. So I think we are largely speaking off the same hymn sheet, singing off the same hymn sheet in this regard. If I can move on, Sir, Deputy Power talked about the network of flights and in particular charter flights. It is a market that has become increasingly vexed in recent years, not through any lack of want on behalf of the airport. We are desperately keen to develop our network of flights, whether they be charter or regular. The opportunities presented with charter operators has diminished in recent years, partly in line with the profiling of the tourism industry. That has been driven largely by low cost airlines. It has been very difficult for charter airlines to compete and particularly on the Jersey market, so we have seen a reduction on the charter airlines, but that does not mean that we are not there attempting to look at opportunities should they exist, and indeed it was a point Deputy Le Claire made as well, he talked about Lourdes and other opportunities. If it is commercially viable I am sure that operators would be keen to do it and we would be keen to support them. It is a very simple message in that respect. The other point Deputy Power raised was about duty free. I suspect, and I have not had an answer on this point, he did mention it to me yesterday, I would suspect it is probably down to the operator themselves because it does not make a great deal of sense to me that they are claiming that they cannot sell duty free from Jersey. I do not see the logic in that, but I would certainly get an answer to him so that we can be absolutely clear on that particular point. He also asked about the marina developments, small boats drying out. It was another point raised by another Member and I can assure all Members that we are well aware of the concerns with regard to the harbour and marina development. We realise there are a number of people with small boats who find it particularly cost-effective to have their boats in that particular harbour. We are working with the Royal Yacht Club and all other interested parties and their members to ensure that all their considerations are taken into account. Any replacement that may be needed at some point in the future would ensure that they had suitable replacement facilities at a similar price, but that does not in any shape or form mean that that particular harbour is going to be turned into a new marina. There is a lot of work yet to be done. I think the Deputy also asked about the future cost of the new freight terminal. Again that is part of the working group, we do not know the points there. I will raise a point about the quite extraordinary interjection by Deputy Southern earlier on. He made what I consider to be nothing more than a few cheap shots. I was particularly surprised because with his position as Chairman of the Scrutiny Panel Economic Affairs he has made no attempt whatsoever to attend upon either the harbour or the airport to ask any of the questions that he has suddenly raised today, and in fact his questions demonstrate a significant lack of understanding of both those areas, which again as the Scrutiny Panel Chairman I find to say the least extremely disappointing. **[Approbation]** He referred to a lack of winter flights. Well, that is simply not the case at all. We have more winter flights now. Okay, there have been some services that have been reduced over the winter period, but the reality is we have more winter routes, more winter airlines today serving us than we had last year or the year before, so he was completely and utterly wrong. He talked about service level agreements. I do not think I even need to spend more than 2 seconds on that. If we introduce service level agreements with airlines at the airport it will decimate, absolutely decimate, the routes that we currently have. **[Approbation]** He was right about the cherry picking potential for H.D. Ferries. That does appear to be the way that the company has operated the southern route. It is very disappointing, I accept a

point that Deputy Power made about the difficulties the company has had, but nevertheless they have also a duty in undertaking a service to provide a suitable quality of service to members of the public in Jersey. That is what they expect and that is what the company should deliver, and I am afraid for whatever reasons they have not done so. In terms of service level agreements on the sea routes, yes within the new Harbour Administration Law we have a permit and within the permit we contain conditions to try and control the way in which services are delivered by both of the operators that we had and under law we now have some degree of control in that particular area. But again many of these things are, I have to say, commercial and if operators are losing money then it is a difficult situation to remedy. The Constable of St. Saviour has asked the same point about the harbour, I think I have covered that already. Deputy Le Claire I have covered most of the points I think he raised, the only one that I will just make a quick mention of, he asked about other operators and in particular Ryanair, and like all operators we are always open to consideration of approaches by airlines who may wish to fly to the Island. With regard to Ryanair a lot of the profiling of their aircraft are not suitable for the Jersey runway and that is one of the main reasons that they have not approached the Island or it is unlikely we are going to have a service from them, I would suggest.

Deputy P.V.F. Le Claire:

One of the important things that was mentioned in my contribution was the concern about Gatwick and the sale and I think if you could touch upon the fact that they are looking at that or keeping an eye on it.

Deputy A.J.H. Maclean:

Yes, I mean it has just recently been announced that Gatwick is up for sale. I would perceive that to be a positive step. I think that gives great opportunities for the airport itself to be developed, its services and so on. I do not see it as a threat to the Island, I think we currently have 2 operators with regard to British Airways and Flybe operating to Gatwick. I do not see any risk to the slots. It is not constrained in the same way that Heathrow is, for example, so I do not think there is any need for concern by Members or members of the public about a sale. I think in fact it could be a very positive move. The Deputy of St. Martin raised some valid points, and I do agree with him about the pickup and drop off zones. It is an inadequate arrangement at the moment. It is part of the longer term capital programme with regard to the Department for Electronics building which needs to be pulled down, basically, and also the arrivals hall. It is part of the new road structure that will be put in place. When that happens that is the appropriate time to sort out the flow of traffic and the parking and drop off and pickup areas. Quite simply, with regard to the amount of revenue generated at the moment, I cannot give a specific figure for the isolation of that particular area but obviously revenue is important to the airport, as we have discussed. There are a number of emerging pressures and car parking feeds into that but I do accept there is some work to be done with the drop off and pick up area and as part of the future redevelopment of the airport in the capital programme this particular issue will be looked at and I would certainly hope in the future it is dealt with. Nothing in the short term. Deputy Fox raised his issues about the sea routes. He has always been very helpful over the years with regard to matters relating to our sea routes. He raises a number of important points. Quite simply, and I have summed it up before, if we cannot deliver effective competition then we will be seeking to regulate the sea routes. That is a position that is absolutely clear. We cannot take any risk at all with our sea routes and he raised the point as well that it is not just passenger, it is also freight. We have done a lot of work with the fishing industry to try and support them with a package delivered between Economic Development, Jersey Enterprise and indeed Jersey Harbours. We have recognised the importance of the fishing industry; we realise the difficulties that the loss of H.D. Ferries is going to present to them and we are looking to find solutions in the shorter term that will help them out. Senator Vibert seems anxious that I move along quickly. I think I might just slow down to ensure that I do not miss any of the questions. The other point that Deputy Fox raises about a working group, again he has been

instrumental in that in the past, it has been very helpful and I think, as we move forward, to have a meeting of that regard again would be useful and I would be more than happy to certainly consider it. He made a couple of points about the condition of Albert. There has been a great investment in Albert, unfortunately we do not have the same resources as perhaps our French friends do in terms of the investment they put into their facilities. We have put a lot of money into it and I know that Manche Iles Express are more than happy with the improvements that have been put in place at Albert. There is I might add a great deal of work required on the Elizabeth terminal in terms of modernising it and in the 2009 budget there are funds there to improve the look, feel of the facilities at the Elizabeth terminal. It is inappropriate at the moment. The Constable of St. Peter talked about the review of the airport. In fact it was not a review of the airport that I referred to, it was a land use review of the land area around the airport. It is not a hugely expensive operation but we do need to look at the potential usages of land for things like hangarage, business jets, developing other revenue streams that could help support the viability of the airport. His points about the harbour were well made and he is absolutely right, I think I have covered it with a number of other Members regarding regulation, competition and permits. We need to make sure the sea routes are secure. Senator Perchard asked about the passenger import terminal figures. Yes, partly the difference between 2008 and 2009 is that we have restated based on 2007 figures. If he looks at that he will see that they were at a lower level. We have also reprioritised some of the income stream that was under port and passenger services into the commercial port, because in fact it was not port and passenger, it was more commercial orientated. So it is a better accounting process than was delivered before, more accurate and more useful and I am sure Deputy Ferguson will be pleased to hear that. Finally a couple of other points were raised. Deputy Egré raised the point about pollution of the airport and he is absolutely right, it has been ongoing, it has been 10 years, the pollution from the fire ground at the airport, pethos. It was something that when I got responsibility for the airport I felt it was important, together with the director of the airport, Julian Green, we both sat down and said that this was a matter that had to be dealt with. We have done our very best to try and deal with it as quickly as we possibly could. It has moved a long way. We are close, I believe, to resolution. The delay at this present moment in time is that it is with the law officers and the other legal representatives of the groups that are involved. There are a couple of groups of residents in the bay who are involved with this. They have legal representation and the lawyers are discussing a number of hopefully minor points that should allow us to move forward to a resolution very quickly. It should have happened a long time ago, and I will do all that I can to get it pushed forward A.S.A.P. (as soon as possible). It is not satisfactory and the Deputy knows my views on that particular subject. The Constable of St. Mary was asking about sustainability of sea routes, looking for another operator. I think in these current economic climates the chances of finding a further operator are probably slim. That does not mean that we are not looking. We are always open to operators. The southern route to St. Malo is not just reliant on one. Of course there is a passenger-only service from Corsair which runs through the summer time, that does help the inbound tourism market and helps local Islanders get off as well, so we do have some additional capacity not just reliant upon Condor. It is certainly not, Constable, I think a crossed attitude; I think it is a little bit more than that. We would certainly prefer competition but if that does not work then we will move to regulate in an appropriate way. Sir, I hope that I have answered all the questions of Members. If there is anything that I have missed then I am sure they will bring it to my attention immediately, otherwise I would like to commend the objectives for the harbour and the airport be accepted.

The Deputy Bailiff:

All those in favour in adopting the objectives of the harbour ... sorry, did I hear someone else for the appel?

Male Speaker:

Yes, I did. Sir, I am sorry I have been late. I have been trying to do some testing work on behalf of my constituents.

The Deputy Bailiff:

In relation to the objectives of the airport and the harbour, I invite Members to return to their seats and the Greffier will open the voting.

POUR: 36		CONTRE: 0		ABSTAIN: 0
Senator S. Syvret				
Senator F.H. Walker				
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator M.E. Vibert				
Senator F.E. Cohen				
Senator J.L. Perchard				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of Trinity				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy A. Breckon (S)				
Deputy of St. Martin				
Deputy G.C.L. Baudains (C)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy A.J.D. Maclean (H)				
Deputy K.C. Lewis (S)				
Deputy of St. Mary				

LUNCHEON ADJOURNMENT PROPOSED

The Deputy Bailiff:

The adjournment is proposed, the Assembly will reconvene at 2.15 p.m.

LUNCHEON ADJOURNMENT

The Deputy Bailiff:

It is quite clearly not a quorum. There are only 21 Members here although it is well after 2.15 p.m. Usher, could you call Members from wherever they are and try and get them here? There are still not sufficient Members, we will call a roll.

The Roll was called

The Deputy Bailiff:

There are now 29 Members here so we are just quorate. It is just as well, because if there had been 3 Members less which there were when the roll was started I would have had to adjourn the meeting. I hope very much the *Jersey Evening Post* will publish the fact that this roll was called and will publish the names of those who were there and those who were not there. **[Approbation]**

10. Annual Business Plan 2009 (P.113/2008): Objectives of the Privileges and Procedures Committee

The Deputy Bailiff:

Now we continue then on the States Assembly and its services, (a)(xiii), the Privileges and Procedures Committee and I invite the Chairman to propose the objectives.

10.1 Connétable D.F. Gray of St. Clement (Chairman, Privileges and Procedures Committee):

To expedite matters, as we always do in the P.P.C. (Privileges and Procedures Committee) I would like to propose all the objectives and our success criteria, and at the same time I would like to express P.P.C.'s, and I am sure the States Assembly's, thanks to all the good work that the Greffier and his staff and also the Scrutiny Manager and her staff do for all of us. **[Approbation]** I propose the section.

The Deputy Bailiff:

Are the objectives seconded? **[Seconded]** Does any Member wish to speak on them?

10.1.1 Deputy R.G. Le Hérissier:

I wonder, and I will congratulate the Chairman on the excellent campaign to increase registration, the problem is of course if it follows the last time it will, by a percentage, decrease the turnout. The more people on the roll, and if people remain obdurate and say: "No way am I going to vote for these people" it makes the figures look worse, but congratulations on that enormous effort. I raise the perennial issue which is shared between yourselves and the Judicial Greffe, the quality of the advertising. We are still paying hundreds of pounds via the Greffe but you yourself are influential in this decision to put in these totally meaningless, bland, bureaucratic unreadable advertisements about the election. Can we please, please do something about this? It is a crass waste of public money. The second thing, Sir, which people may say is another waste of public money, remuneration of Members. **[Laughter]** I know you are having difficulty in finding people good and true who wish to be involved, or the Chairman is finding people good and true who wish to be involved with this process, particularly as the Chairperson. Can the Chairman confirm, Sir, that the remit of this body has been extended rightly or wrongly to cover a possible extension to pension provision and can he confirm, Sir, when this body will be reporting with its next set of findings? Can he also confirm, Sir, under Objective 4, what were the public information services that were enhanced? Is he simply referring to the refurbishment of the bookshop area or are there other areas to be noted? I would also like to congratulate him but indeed, Sir, congratulate the Scrutiny Panels through people like Deputy Gallichan of St. Martin ... of St. Mary. That is not a fate I would like to wish upon her, Sir. **[Laughter]** Deputy Gallichan of St. Mary and the Deputy of St. Ouen on leading the excellent work on citizenship in schools. It has been truly an innovative project **[Approbation]** and it was a good way of getting students involved without being too overtly political in the process, which I know the Minister for Education, Sport and Culture is almost hypersensitive about, but I would like to congratulate the President and the Members of Scrutiny on

that also. Lastly, Sir, the Complaints Panel it appears is receiving fewer and fewer complaints. Has the committee got any views on whether the function, admittedly it was streamlined a year or so ago, needs to change, whether we need for example to give it proper powers of reporting back of direction, for example, and whether it is working? Because it is sometimes put forward as an alternative to people, for example, who have considered third party appeals, but a lot of the public are a bit leery, Sir, because they do not see the body as possessing ... we have always had this issue; it is an issue that derives from its origins as a sort of model based upon the U.K. Ombudsperson, but has any thought been given there?

10.1.2 Deputy C.J. Scott Warren:

Firstly, Sir, and this may well relate to procedures, the election expenses regulations that we agreed somewhat hurriedly a couple of months ago and quite rightly we need regulations, I just want to make the point that they need refinement, further debate by the new Assembly, before they become law, to be honest I do not believe that those regulations have enough clout for any offenders. I would also like to say, and this was touched on yesterday when we were talking about the amendment by Deputy Southern in regard to the Social Security review of income support, I do feel that the machinery of government review and new States Assembly is going to have to do a further review in the middle or some time during their next 3 years, and my own personal thanks to everybody in the States Greffe and the Scrutiny officers for their excellent help throughout the year.

10.1.3 Deputy I.J. Gorst:

I just rise to address a point of Deputy Le Hérissier. I hope he has read the amendments to Standing Orders, which I believe we will be debating later this year which addresses that very issue of pension provision for Members. It obviously will be for Members to decide whether they find the provision that P.P.C. has drafted acceptable but it is argued that hopefully that will give a reasonable amount of latitude to cover those, perhaps, Members, Sir, who are a little bit older who might find it difficult to get a standard pension type provision provided by a Jersey provider and perhaps there will be some other way of addressing that issue there. We have tried to draw it rather widely to give latitude to the remuneration body, and if I just touch also on election expenses, I think it was recognised - and it is the case that with regulation it was not possible to put perhaps the penalties that we would have liked to have put in regard to election expenses - but as we are all aware, Sir, this is very much a test it and see election. We will know after this election how it has worked and when the laws are drafted then penalties will be able to be put in place at that point, if this Assembly believes that is what is required, Sir. Thank you.

The Deputy Bailiff:

Does any other Member wish to speak? I call upon the Chairman to reply.

10.1.4 The Connétable of St. Clement:

Deputy Le Hérissier has already raised the question on several occasions about the Judicial Greffe's advertisement and the committee have tackled the Judicial Greffe, but apparently what he advertises is in keeping with the law. That is what we are told. It cannot be altered, that is what the law requires him to put in the advertisement and we have no control over it whatsoever, so what needs to be done is that the next States will need to examine that more thoroughly, and we have not really had the opportunity to do so. I think the remuneration question was answered by Deputy Gorst. The public information services provided by the States Greffe is of course not only the *Hansard*, but is now freely available on the website to everybody, to all the citizens, in fact to all the world, I believe. So that is one of the things that we have done and of course we do operate the bookshop still and all the publications of the States are available there. The Complaints Panel: the Complaints Panel had a very quiet year in 2007 and as a result it looks as if they are doing little or nothing but they have had a very, very busy year in 2008, so I think they work very efficiently, they provide the service that the public obviously need, as they are very busy, and I do not think at this

stage it is appropriate to alter the proceedings at all, but merely to thank them, because all their services are freely given. So I would like to thank those.

The Deputy Bailiff:

The appel is called for in relation to the objectives of the States Assembly. If Members return to their seats and the Greffier will open the voting.

POUR: 34		CONTRE: 0		ABSTAIN: 0
Senator F.H. Walker				
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator M.E. Vibert				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator J.L. Perchard				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Clement				
Connétable of Trinity				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy A. Breckon (S)				
Deputy of St. Martin				
Deputy G.C.L. Baudains (C)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisssier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Ouen				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy I.J. Gorst (C)				
Deputy of St. Mary				

So that concludes paragraph (a) of the proposition.

11. Annual Business Plan 2009 (P.113/2008): Paragraph (b)

The Deputy Bailiff:

We then come to paragraph (b). As they were taken as read, perhaps, Minister, it would be convenient just to read paragraph (b) to remind Members what it forms, so Greffier, would you read paragraph (b) of the proposition.

The Deputy Greffier of the States:

(b) To approve the summary set out in part 3 of the report, summary table A, page 94, being the gross revenue expenditure of each States funded body and, based on a provision for pay awards of 3.2 per cent for June 2008 and 2 per cent for June 2009, totalling £672,759,100 and having taken into account any income due to each of the States funded bodies, the net revenue expenditure of each States funded body totalling £574,501,300 to be withdrawn from the consolidated fund in 2009.

11.1 Senator T.A. Le Sueur (The Minister for Treasury and Resources):

I guess it falls to me as the Minister for Treasury and Resources to present the financial proposals within this Draft Annual Business Plan. It will be the third that we have presented under the objectives of the Strategic Planning agreed back in 2006. As Members know I expect by now the Business Plan is the first half of a process which will be completed in December when we deal with the annual budget which will allocate the revenue required to meet our spending. It is my job today, Sir, on behalf of the Council of Ministers to lead Members through the expenditure allocations which we shall be debating, but first I would like to set this in a more general context about overall financial framework. Sir, when I took office as President of the former F. and E. (Finance and Economics) Committee 6 years ago I set out certain guiding principles. Those principles have now been built into the States overall financial objectives. Those principles were to have balanced budgets over the economic cycle, to have inflation as low as our competitors, greater efficiency in the public sector and sustainability of growth in public services. I am pleased to report, Sir, that during my 3 years as Minister for Treasury and Resources we have delivered on all of those objectives and that my track record, our track record, is second to none. If anyone doubts that just look at our record. Despite the recent rises in inflation caused by worldwide trends, the general trend in Jersey has been downwards and underlying inflation in Jersey has been close to target for most of the past 3 years and certainly below that of the U.K. and Guernsey. We have had near full employment for a number of years. Our national income per capita is one of the highest in the world and even after G.S.T. we have one of the lowest tax burdens in the world. I think one of the lowest. We have no borrowing, we have substantial reserves and no budget deficits, and yet despite all of those low taxes and low deficits we have managed to continue to provide excellent health and education services, and also enhance the benefit system for the less well off. Sir, that record of high incomes, full employment and low inflation would be the envy of virtually every other country in the world, and we should be celebrating that success. But now is not the time for complacency. There are many who believe that because we are running at a surplus we can let go of the reins, cut taxes and increase spending. That would put at risk our enviable financial position and ultimately could affect our ultimate prosperity. That is not just my view, that is the view expressed by the members of the Independent Fiscal Policy Panel. In their reports recently published they state and I quote: "The panel is concerned that the medium term combination of spending pressures and the threat of slower growth in tax receipts could create special problems within the States finances" which in layman's language is saying that if we do not control spending now we risk having to increase taxes at some stage in the future. Now there may be some Members who believe that tax revenues will turn out better than forecast in the plan and that they can increase spending without any consequences. Effectively they are saying: "Live beyond your means and hope that something turns up." It did not work for Mr. Micawber, it did not work in the U.K. and it will not work for us. Again the Fiscal Policy Panel do not endorse that approach either. They say and I quote again: "To the extent that recent increases in Jersey's tax have been cyclical there is a risk that future tax revenues could be weaker than forecast." Sir, some may query the accuracy of our forecasting; bearing in mind that if anything, in the current economic climate our forecasting is perhaps rather more likely to be on the high side. I would at this stage like to refer Members to the financial forecast which is on page 42 of the Business Plan. The first thing I would like to point out is the second line of the financial forecast headed Zero/Ten Corporate Tax Structure. We start to lose tax revenues to Zero/Ten in 2009 but the big losses come in in 2010 and later. We will be operating for surplus in 2009 but that it is a one-off. We only have that surplus

because we have been phasing in the measures in the new fiscal strategy over the past couple of years. It would be quite wrong to allege, as some have done, because of that we could have delayed G.S.T. by a year. On this again I can quote the Fiscal Policy Panel who said that introducing G.S.T. in 2008 and thereby creating modest surpluses was appropriate to prevent the economy from overheating. From 2010 once the effect of Zero/Ten is really felt we are predicting deficits of about £10 million a year, as the table towards the bottom of the page shows, but because of the surplus in 2009 we can still achieve our objectives of balanced budgets over the 5 year period and still have sufficient moneys in the consolidated fund. As Members can see, at the end of 2013 we estimate having £56 million in the consolidated fund. Now, Sir, while forecasts are just that - they are forecasts and they are uncertain - planning for deficits is neither prudent nor good economic policy nor sustainable. The more we carry on increasing our spending, the more likely it is that taxes will also rise. Members can have a last quote from the Fiscal Policy Panel: "The panel sees the 2 main risks being that tax revenues will not increase as much as forecast and that expenditure growth tends to be higher than forecast. Therefore, the States should if possible avoid certain decisions that undermine the tax base or increase expenditure at a rate above that currently forecast." Sir, I cannot ignore the fact that in the present economic climate we are living in uncertain times but I can say - and what I take comfort from and what Members can take comfort from - is that our current financial position is one of solidarity and strength; one we have built up over the years with carefully crafted policies. That, Sir, has enabled the Council of Ministers to take a wider look and to propose further expenditure in areas which we believe will be for the long term benefit of the Island. If Members now turn to the financial forecast show on page 30 of Amendment 4 they will see that even with the acceptance of all the amendments proposed by the Council of Ministers we still achieve the basic principles of balanced budgets over the 5 year cycle. We still have growth at sustainable levels. We are not planning for overall deficits. That is why I believe we can accept the principles and the proposals of the Council of Ministers and still maintain the general principles set out by the Fiscal Policy Panel. Sir, I would now like to turn to the specific spending proposals in the Business Plan. The net revenue expenditure limits proposed in this plan are based on the figures which were approved at the time of last year's States Business Plan debate. In line with those decisions revenue expenditure growth for 2009 is proposed at 3.1 per cent with 3.5 per cent in 2010 and 3.3 per cent in 2011. Those spending limits were always going to be extremely tight. They would mean that States spending would have to go up by less than the current underlying rate of inflation. Sir, make no mistake, they are achievable but they are not I think compatible with what I perceive to be the aspirations of many States Members and indeed the public. Sir, mainly through increased efficiencies and setting of tight cap in pay awards it has been possible within the 2009 cash limits to fund enhancements to Health and Social Services, to overseas aid, to Social Security and to Home Affairs. But within those tight cash limits it has not been possible to fund, for example, maintenance of infrastructure, the consequences of an ageing population or many other desirable improvements. But perhaps one particular thing I should draw Members' attention to in part (b) concerns pay awards, particularly in the light of current rates of inflation. The provision included in the proposed cash limits is for a 3.2 per cent pay award from June 2008 for public sector workers and for a 2 per cent pay award from June 2009. The 3.2 per cent is in accordance with the March 2008 R.P.I. (Retail Price Index) which has always been in the past the reference point for pay awards. While civil servants, police and prison officers have all settled for that figure, it has not yet been possible to reach agreement with the manual workers, nurses and teachers but that has to remain our objective. The June 2009 allocation was based on the best estimate at that time for the R.P.I. for June 2009, which was 4 per cent. From that figure one has to deduct the one-off impact of G.S.T. on the R.P.I. estimated to be 2 per cent. Why? Sir, the reason is simple. The States brought in G.S.T. to raise more in taxes to cover the loss from the move to Zero/Ten. The last thing we wanted to do is to put all that back to the workers through an increased pay award because if it does the money just goes round in full circle. We still end up with a deficit, but the Island starts from a higher cost base. The Council of Ministers is aware that those pay provisions are extremely tight, however, once the spending limits proposed in part (b) are

agreed the only way pay awards above those levels can be financed would be by cutting back on services. Sir, I do not believe that is a thing we want to do either. With those comments, Sir, I think that gives a broad overview of our spending proposals and I propose part (b) of the proposition.

The Deputy Bailiff:

Seconded? [**Seconded**] Very well, now we have a number of amendments so we will take them each in turn.

12. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008) Amd. (4)

The Deputy Bailiff:

They are all or for the most part contained in the fourth amendment lodged by the Council of Ministers. We will take first paragraph 1(1) and I will ask the Greffier to read that amendment.

The Greffier of the States:

After the words “withdrawn from the consolidated fund in 2009” insert the words: “(1) except that the net revenue expenditure of the Chief Minister’s Department shall be increased by £570,000 to ensure the range of functions within the Chief Minister’s Department required for a modern and responsible government are strengthened and reorganised.”

12.1 Senator F.H. Walker (The Chief Minister):

Sir, first of all can I apologise to Members. We have already had - and clearly we have some distance to go - a long debate. I would have liked to have been able to propose this amendment very briefly but sadly because it is a multi-faceted amendment involving a number of issues and spending requests - resource requests - within the Chief Minister’s Department, I do feel it necessary to refer to each of them and that will take a little bit of time. Sir, I am fully aware that the request for an increase in resource in the Chief Minister’s Department is unlikely to be near the top of many Members’ priority list. Quite rightly priority lists feature and focus on social needs, on health, education and the like. This amendment does nothing to deliver direct frontline services through health and education, et cetera. It does not win over many voters and it would result in an increase in civil servants. But, Sir, there are several good reasons - indeed several very important reasons - why this amendment needs to be accepted. Firstly, many Members - and we have just heard the Minister for Treasury and Resources among them - have commented on the current state of the international economy and the threat that that could pose to Jersey. At this time an unquantifiable threat but nevertheless it is clear that Jersey will suffer some impact at some point. We do not know what, we do not know how deep and we do not know when. But what that means is that it is now even more vital than ever before that Jersey is represented and promoted effectively on the international stage. It has always been important. It is now crucially important. At this moment in time we are not adequately able to represent Jersey and fight for Jersey on that international stage. That is no reflection of the team that works so hard and have been so effective; no reflection on them at all but the fact is that they are understaffed; in some cases seriously understaffed. It is a fact that we are not able currently to pursue a number of projects and initiatives which our competitors are grabbing with both hands. Many of Jersey’s competitors spend considerably more than do we on their international position and on promoting and marketing their economy. They are grabbing opportunities with both hands. We are currently unable to fight back as vigorously as we should or indeed to lead which is the position that Jersey is accustomed to being in and, in my view, should remain in. If we do not fight our corner and fight our corner vigorously we will lose business, we will lose market share and the result of that will be a loss of jobs in the finance industry - as I say we do not know what impact the current international climate is going to have anyway - a loss of tax revenues and ultimately a loss in the level of services that we offer the Island. I do not know how many Members are going tonight but there is a lecture or seminar put on by former States Member Advocate Lakeman and Deputy Le Hérissier entitled “Constitution under Pressure”. I look forward to that but I do not know what the content is. I do

not know whether I will agree with it or not but the fact is the constitution is under pressure. The U.K.'s relationship with the E.U. is changing constantly and that has impacts on its relationship with the Crown dependencies, including of course us in Jersey, and could have a serious impact at some point in the future. Thankfully that is not the case because we have fought our corner vigorously. That is not the case at this juncture but could have a significant impact in the future if our views are not heard and read clearly and frequently. The Ministry of Justice through whom of course we report or liaise with the U.K. Government, there are many issues within the Ministry of Justice. They have had staff reductions in the department responsible for the Crown dependencies. There has been a massive turnover of staff, so trying to get continuity and trying to create a strong, real and enduring understanding of Jersey's position has been difficult. That is not to say there is not a will on their side, but it has been difficult because of this constant reduction in their resource and the constant turnover of staff. We need to be knocking on their door. We need to be sitting down with them far more regularly than we are able to do at the moment and putting over our case on a regular and a frequent basis. There are 2 principal risks here in terms of our constitutional and international position. The first is that there may well be new tax initiatives. We have already seen the European tax package which we have had to respond to. It has been tough and it has been difficult but we have responded to it. There will probably be others, and again if we are not getting our voice over, if we are not making our position clear, as we know there are many misunderstandings about Jersey internationally and it is up to us - and only up to us - to get over the true picture and to fight our corner. If we do not have the resource to do that then we simply will not be able to and we run a greater risk than we should. Barriers to business. There have been many barriers to business set up in E.U. countries and threats of barriers in the U.S. (United States) and elsewhere. Again if we are not able to represent ourselves properly we run the risk that those barriers will be erected and we will not be seen, as we know we are, as a high quality, well regulated jurisdiction that we have to be regarded as and known as. The second - and it is very closely linked - is that we will lose much of the international respect and status that we fought so hard for in recent years; we fought so hard to promote and protect. We now, as Members know, sign agreements in our own name. We now negotiate far more directly ourselves rather than as we did historically through the U.K. Government. That is resource hungry and although we have done it very effectively, our competitors - because they have put in so much more resource than we have - are now moving ahead of us and the field is tilting against us. A position Jersey simply cannot afford. An investment in resource we simply cannot afford not to make. We slip obviously at our peril. Now the first part of the amendment is for a senior policy adviser and an assistant and for part time off-Island media advice, which again has been crucially important and I know will continue to be crucially important in the future. The total cost - the investment - of this particular part of the amendment is £200,000. £200,000 as an investment in our future international position and as an investment in our future economic position as well. As I have already said, it is an investment we simply cannot afford not to make. An investment that will pay for itself many, many times over so we should not regard this as just another expense that is going to roll on. This is an investment against which there will be a positive return of many times the actual cost. There is a real benefit to Jersey if we accept this amendment and a real downside - a serious downside - if we do not. Sir, I would say this is not a request which in any way can be dismissed lightly or for purely political reasons. This is serious stuff as far as Jersey is concerned, and as far as the people we represent are concerned. The second part of the amendment relates to emergency planning. We are simply not up to speed. We now have one very capable emergency planning officer but he cannot possibly do everything himself. We saw initially a potentially very serious problem at St. Peter in the recent fire where we simply did not have enough resource to cope with it properly. Thankfully the Parish and goodness knows how many other people in the voluntary sector came rushing in to the rescue but there should have been a greater grip on it from an emergency planning point of view earlier than there was. The resource simply was not there. We were very, very lucky - very lucky - that that did not result in serious loss of life. We can never count on the fact that we will not have another similar incident in the future; count on the fact that we will not have another

emergency of a different type. It may be pandemic flu. It may be - God forbid, if you will excuse me saying so, Sir - an act of terrorism because we cannot say that Jersey is immune from that either. The people of Jersey have to be adequately protected. We have made enormous strides in recent years but we are not able to move fast enough or effectively enough to say to the people of Jersey: "We are confident you have that protection and that we can deal with whatever emergency may appear in the future." This part of the amendment is for an assistant to the emergency planning officer at a cost of £70,000; a very, very small further investment in the future of Jersey. I cannot remember how many Members attended Exercise Flying Swan put on by the emergency planning officer. The Deputy of St. Peter attended and so did I, and I am sure others. It was a number of others. A very effective exercise but we simply cannot deliver on the recommendations that emerged from that with just one person. No matter how capable he may be, we simply cannot deliver. So for a modest investment of £70,000 we can go that extra mile and do what we need to do to offer the people of Jersey the security of knowing that we are fully up to speed in our emergency planning processes. The third part is social policy. Last year the Council of Ministers announced - with I have to say a certain blast of trumpets - a new co-ordinated social policy involving the Minister for Health and Social Services, the Minister for Education Sport and Culture, the Minister for Housing, the Minister for Social Security and the Minister for Home Affairs. The whole idea of it was that we would enable independent households to enjoy life in a thriving community. We all signed up to that and I think the States signed up to that although it did not come here as a proposition. The bottom line was we were looking to help people to remain self-sufficient. We were looking to help people become self-sufficient where perhaps they are not today. We were looking to offer the full support that we possibly could for those who, come what may, will always need the help of the States. Terrific policy. The problem is we have nobody to deliver it. We have not delivered on it. We have delivered on some of it but by no means as much as we should have done. That has been a major disappointment to all the Ministers concerned and also very much myself. This initiative involves not just many departments of the States, as I have illustrated, but also many, many agencies in the voluntary sector as well. There is a real will to deliver this new social thrust in Jersey but we do not have anyone to co-ordinate it and to manage it. If we do not have a co-ordinator with all the agencies involved, it simply will not be delivered or certainly will not be delivered effectively. It will not happen. This is looking for an investment of £100,000 which I hope Members will come to regard as another investment and a very important investment in the social fabric of Jersey. An investment in other words in the main for the disadvantaged. Sir, the next part of the amendment is resource management and performance. We heard a number of speeches in this debate about the efficiency of government. There have been some strong criticisms made by the Public Accounts Committee that we are not as effective, not as efficient as we should be. I would agree. Members should not block their minds to the incredible progress we have made since we appointed a Chief Executive to the States. We have, to a large extent, transformed the way we deliver services and the efficiency and the co-ordination of the States but nobody is deluding themselves that we have got where we need to get. Nobody is deluding themselves that we are as efficient as we need to be. Again the Chief Executive in my view has performed miracles. If you look at the organisation chart, the number of people that report to him and the number of objectives that he personally has to deliver on is ridiculous. It is beyond the scope of any one person, no matter how talented, how committed, how able they may be. He cannot possibly deliver everything that has been asked of him. Result: government is not as efficient as it should be and a number of things are either not being delivered on at all or are being delivered on in a fairly - I cannot use the word "slapdash" - ineffective way and taking much too long. As the Comptroller and Auditor General - and I will come back to him in a minute - has said there are serious questions about the structure of the Chief Minister's Department and there are serious questions about the resourcing of the Chief Minister's Department. This is what this amendment seeks to address. If we want effective government - and I think we all do - and if we want efficient, cost-effective government - which I think we all do - then we have to address our current shortcomings, and they are shortcomings in this respect. Again this investment - in this

case £150,000 - will pay for itself many, many times over. Those who criticise the Chief Minister's Department or the efficiency of the States generally should be fully supportive of this amendment because we will not deliver on the efficiencies they seek and demand unless we have the resource to enable us to do it. It would be totally unfair and unrealistic to expect the Chief Executive to deliver to the standards demanded when he is almost, in some respects, a one man band. It just will not work. So if you want effective government you have to vote in favour of an additional resource; one additional resource which will pay for itself, as I have said, many times over. The final part of the amendment is direct support - private secretary support - for the Chief Minister. Can I emphasise this is not me because I will not be there to enjoy it? I will not be there to get the benefit from it. The only reason I am proposing it and proposing it so strongly is because I passionately believe that the Chief Minister's office is greatly under-resourced. I compare the support I have had with the support given to Chief Ministers elsewhere that I meet quite frequently of even smaller jurisdictions than Jersey who I meet with. Support I have had has been laughable. Indeed some of them have laughed at it. They cannot believe that we are so under-resourced and the office of the Chief Minister is clearly unable to give the backing, et cetera, that the Chief Minister needs. Nothing to do with me now because the benefit will pass to whoever my successor may be. But the Chief Minister has to attend a huge number of meetings, both internally within Jersey and internationally. The Chief Minister has to give a huge number of different speeches. The Chief Minister has to attend an unbelievable number of presentations and so on. He or she has to be fully briefed on each and every one if Jersey is to be properly represented. That has been a struggle. It has been a serious, serious struggle and it should not be because the Chief Minister is in many ways the face of Jersey. As P.P.C. have said in their review, he is the political leader of Jersey and should be supported as such. I am pleased to acknowledge the P.P.C. report - the review - which came up with that point and said that Jersey's political leader must receive adequate support. They propose or agreed with me and others, Council of Ministers, that a private secretary is the means of delivering that support at a cost of £50,000 per annum. Sir, I cannot stress again that if we are going to represent ourselves properly against ever increasing competition, and if we are going to run the Island properly then the Chief Minister has to be properly supported. Currently he is not. Sir, there is a bit of a shopping list here but I would make the point that this is not adding to a fat department; anything but. I referred to the workload and the responsibilities of the Chief Executive and so on. But the Chief Minister's Department has played its full part - more than its full part - in the efficiency cuts that all departments have had to face in recent years. In fact the budget in real terms of the Chief Minister's Department has been reduced by 20 per cent; reduced by 20 per cent. Yet despite that the Chief Minister's Department has taken on more and more responsibility. Over the last 3 years added to the original responsibilities, the Chief Minister's Department is now responsible for the Population Office, the Director of Civil Aviation and emergency planning. We have had no additional management resource to take that on at all. On the one hand we have had cuts in the budget. On the other hand responsibilities have increased. It is now an unmanageable equation. It does not balance, it does not add up and the services can no longer be delivered in an effective and efficient way. Sir, I would refer to the Comptroller and Auditor General. In his review of States expenditure on page 9, he devotes a lengthy paragraph to corporate management. He says: "There is some evidence that it is not proved possible to pursue corporate initiatives with the consistency that was required to ensure successful implementation." He goes on to say: "The test of whether the structure and resources of the Chief Minister's Department are appropriate should be whether it is sufficiently resilient to be able to apply consistent pressure to the achievement of the internal objectives of the States at the same time as dealing with external pressures." Now that consideration has indeed been given and been given in depth. I, the Council of Ministers and the Chief Executive have no doubt whatsoever that the objectives cannot be met unless these amendments are approved. Sir, we are looking at a total investment - all aspects of the whole amendment - the total investment being requested is £570,000; an investment which would create a Chief Minister's Department fully equipped to represent our interests internationally, respond to major emergencies, drive forward our ambitious social policy

programme and deliver more effective government. I believe that is an investment that is well worth making. Indeed an investment, as I have said before, we cannot afford not to make. All of the aspects of this amendment, all the different elements, need to be delivered. They need to be done. With the amendment they will be. With the amendment we can achieve all those objectives. Without it we cannot and the Chief Minister's Department will fail. Sir, I propose the amendment.

The Deputy Bailiff:

Does any Member wish to speak on the amendment?

12.1.1 Deputy S.C. Ferguson:

I must say I did enjoy hearing the Chief Minister quoting the Auditor General. I would have perhaps preferred a less piecemeal approach to the overall report but I suppose we cannot have everything. The various members of the department who are recommended, I have one small question. If the Chief Minister is thinking of having a part time off-Island media adviser, does that mean to say we can make savings on his own in-house press office which does seem to have been growing quite fast? The emergency planning social policy: yes, if the social policy adviser can sit on the hands of certain of the Chief Officers who want to spend an awful lot of money on their various bits of the policy. Secretary: it is rumoured that Senator Ozouf has 2 secretaries. Perhaps he can lend you one of his. The change officer: that I think is probably the most important one on your list. The Auditor General did highlight his concern about the resourcing of the Chief Minister's office. The Committee has for some time shared his concerns that we have loaded too much on the Chief Executive of the States. At one stage this year he was juggling Haut de la Garenne, the change programme, business as usual and the I.M.F. (International Monetary Fund) visit. It really is quite stupid to expect somebody to be able to do all these important things all at once and make sure they are all continuing, particularly in the area of change. Change will not be achieved unless there is somebody bulldogging on it, continually nagging, ensuring that the policies follow, for instance, maintenance budgets. We cannot just say we want changes and expect them to magically appear. We do need somebody who will make sure that budgets and other change proposals are all followed up. Contrary to my usual negative approach to spending money, Sir, I will be voting for this amendment.

12.1.2 Deputy R.G. Le Hérissier:

Yes, in some respects it is appealing and perhaps some of us, where there were areas that were doubtful, we should have asked for exceptions. I am aware, Sir, that the Chief Minister's office did take some big hits in the early days of cutbacks. By way of example and the sad thing - I suppose a rock and a hard place phenomenon - is that they will now be seen as moving forward with a bigger bureaucracy. That example which they so valiantly set in the early days has now been sadly turned over. Just in terms of some of the particular issues which the Chief Minister has raised. In terms of international relations, Sir, I know it was the custom that the Island did I think buy the services on an ad hoc basis of a lawyer in Brussels and we did as I recall have some very good reports from time to time. To what extent did the Chief Minister's office consider that we should have a more permanent presence there because that is clearly the scene of a lot of feeling towards the Island and where a lot of work goes on and so forth. In terms of change management, Sir, I understood although the office had gone through a couple of reincarnations there was a Deputy Chief Officer in the Chief Minister's office assisting the current Chief Executive. I understand that person is still around. I cannot mention names. I wonder if the Chief Minister could elaborate on the role being played by that particular person at the moment. In terms of social policy, Sir, I thought the whole idea was to formulate a concept and there was a transfer, as I recall, from the Social Security Department of a highly placed official to write up that particular policy but I never realised, Sir, that the Chief Minister's office was the implementation office. When the Chief Minister talks about liaising with voluntary bodies and all that, how different is this activity to the activity that Health and Social Services and Social Security, E.S.C. (Education, Sport and Culture), for example, are doing on a day-to-day basis. I thought the idea, Sir, was to drive the overall policy; not to get

involved in liaising with - as the Chief Minister described it - voluntary bodies. That is another issue. I have no problem. I see the idea of an enlarged office or an enhanced office recommended by P.P.C. has been abandoned. I think that is probably right in the current situation. The other thing, Sir, in terms of improving resource management and performance. While I can see if you can embody this in one person it often drives a programme; to what extent though, Sir, is this programme being driven, for example, by a group of Chief Officers because I always get very fearful. There was a famous article once written on government modelled on a Texas cattle ranger. It said: "Big hat, no cattle." I always get fearful of these people who have these vast remits to change the world which I have had and look where it got me. I have always been fearful of these people because they sit in these back offices. They write, as I have done, the splendid reports about changing the world and changing the whole way in which we think and excellent work is done by it. I just wonder, Sir, to what extent this person is going to be locked in an office, heaven forbid producing even more management by objective reports or more traffic light reports. Are they through Chief Officers or indeed through politicians because judging from some of the unbelievably perfect departments we have had described in the last few days, it appears very little change is required. I am just amazed. I have never worked in an organisation where perfection is so present. It is wonderful but it does tend to make you think. So I would like to know, Sir, what is the political and the Chief Officer level involvement in moving this project forward? Are we going to appoint a very highly priced and placed person who will sit in an office producing big hat, no cattle type plans?

12.1.3 The Deputy of St. Martin:

I have to compliment the Chief Minister on his speech. I think it is very good and he is working tremendously right. One felt quite rightly he will not be here next time. He is working for whoever can replace him. But we come to the word "but" and I say "but". We are now looking for additional staff - highly paid staff - at a time when we are putting G.S.T. on food. I just wonder what message are we sending out from this House? Also we have been asked to give the nod to employing additional staff for several hundreds of thousands of pounds on an amendment lodged on 2nd September. Where is reference to Scrutiny? We have had a report from P.A.C. but really. I am not going to support this by the way and I hope other Members will not either. If a Back-Bencher brought something like this, it would be thrown out even before we had an opportunity to finish the speech. But here we have a Chief Minister's Department coming along here asking us for several hundreds of thousands of pounds on 2nd September, no Scrutiny. I would say Members please do not give this support until we know more about it.

12.1.4 The Deputy of St. Ouen:

I would just like to make a couple of points. The Chief Minister's own description of his amendment is a shopping list and perhaps that is quite a good description of the variety of issues that have been brought to our attention today. I would like to touch on 2. I am obviously concerned that when the Chief Minister suggests we are not adequately able to represent Jersey on the international stage and he listed 3 risks: new tax initiatives to address, barriers to business which could affect the finance industry, loss of international status. Yet if you look in the annex to the Business Plan under Economic Development, the 2009 estimate under Finance Industry Support on page 21, I notice that the amount of money that is going to be directed - and this is the performance measure - to promote the Island's finance industry and the reputation of the Island as an international finance centre is maintained is £1.8 million; an increase of £775,000 for this coming year in 2009. If the issues are so much a priority - and I am not suggesting they are not - that the Chief Minister is raising, why on earth are we not prioritising some of those funds that are currently being directed to Economic Development to indeed dealing with the more core issues that the Chief Minister has highlighted? Second point. I notice that there is a demand for increased funds regarding emergency planning. I looked at the sum allocated for emergency planning as described in the Chief Minister's Department section in the annex on page 14 and I see that in 2009

it is a total sum of £138,200 for 1.8 full time equivalent employees. Presumably that must be in real terms 2. If we have 2 employees focused on emergency planning, while I am I suppose quite surprised that indeed the incidences that we have had this year have been tragic but one would have expected that 2 individuals plus emergency services and all the support people that are around could in fact deal with most issues that would present themselves on this Island. I will be very interested to hear the response of the Chief Minister on these 2 particular points before I indeed make up my mind how I am going to vote.

12.1.5 Senator T.A. Le Sueur:

I think one of the problems may be in the current Business Plan debate format is that we are focusing here on expenditure of £500,000 without asking ourselves some of the other questions linked to that expenditure. What is the potential revenue benefit of spending this money? It could well be significantly higher. Maybe in certain instances, what are the costs and risks of not spending this money? I suggest that the costs and risks of not doing this essential work far outweigh the cost of £570,000 we are talking about in asking for it to be done. I think a lot of misunderstanding exists about the role of the emergency planning officer. All I can say from my limited awareness of this activity is that there is a significant backlog of work which has not been able to be done so far simply because there has not been the resource. We are not in a position to deal properly or even adequately with emergencies at the present time. That is a problem which has to be rectified without delay.

The Deputy of St. Martin:

Sir, could I ask the Minister to expand on the type of work that is outstanding? These are the sort of things I felt that Members should know before we make this decision.

Senator T.A. Le Sueur:

Sir, I shall leave it to others with more knowledge of the subject to do that. But all I would say is that there are a significant variety of risks, each of which needs to be addressed and planned for. It is all very well saying the fire service can deal with fire risks and the police can deal with police risks and someone else can deal with these risks but one has to take an overall approach to these things. At the moment sadly I am afraid that is not being done. It is only by chance that we have not had significant difficulties should an emergency arise which we were unprepared for or inadequately prepared for. I think part of this difficulty is that we seem to be more concerned with scoring little tit-for-tat points about this amendment rather than the essential question; is this amendment in the interests of the Island and the interests of the people of the Island? The answer to that, Sir, must be a categorical yes. It is only by investing this sort of money that the status of the Island can be maintained and enhanced, that its presence, its reputation, its ability to hold its head up in international spheres can be achieved. We are failing to do that at the moment. I fear that if we reject this amendment we will be continuing in that failure we cannot afford to fail.

12.1.6 Deputy J.A. Martin of St. Helier:

I was waiting until we got to the meat of the amendments and how they were whittled down and what we would find out they were for. Lo and behold in the middle of a new private secretary for the Chief Minister, an emergency planner, plans for an off-Island media spinner, we must have someone on £100,000 to develop the social policy for Jersey. Everyone will say of course we have the hook there, and Deputy Martin certainly cannot go against this £570,000 because we have put in that bit for social. I, like Deputy Le Hérisier, want to know who is this person and what they are supposed to be doing because I have read the social policy framework. Unlike Senator Perchard, after I read it I said it is quite good, never be delivered. He said it was good because it had social policy written on the front of it before he had even read it. It must be good. Anything that has social policy on it must be good. Then we have this. Then I had amazement. That amazes me. I have not decided whether I am going to support this. I really do not think I will because what we had this morning, the Chairman of P.A.C. stood up and I thought: "Here she goes." The

person who keeps an account, the person who changed a trivial ... or just an objective to continue to develop finance, control and assurances frameworks across the States to something with much more meaning. The Chief Minister accepted it. The Minister for Treasury and Resources accepted it. But nobody in this House is going to accept it or outside if we start falling down. This is the Chief Minister's office. He only wants £500,000 for 5 different pieces. Then he wants another £200,000 for something else outside the Island in the next amendment. Do not be fooled. I am disappointed again in the Chairman of P.A.C. At the first hurdle she has rolled over. I am sorry, the amendment she brought, and whether it was accepted, does not stand up to any of these amendments being brought, especially these top ones and we have had them broken down. I say I might support. At the moment I have heard nothing. Very, very good speech from the Minister. How hard his job has been, not having a private secretary. Yes, Minister, we have heard this before. We were told the machinery of government would not cost us arm, leg and all 53 heads of this House but it is costing. Every time we come back it is because the machinery of government has to be moved and the P.A.C. Chairman says: "Yes, we do need this because it will bring it into line." How many more years down the line will be stop spending. I fully agree with the Deputy of St. Saviour - I will not try and say his name again **[Laughter]** - Le Hérissier. I got it. I got it. Thank you, Sir. But we are being fooled. We really are being fooled. These things are being brought in, big machines. We do not know. We have not scrutinised any of this. They have come at the last minute. There is still an amendment in here that has not even been - I presume it has been pulled - from Treasury. Yes, I am getting a nod, that is fine. But these things came at the last minute when we have had the Business Plan and we have had the Business Plan to scrutinise, which are very woolly because you are looking at the objectives. We get the meat of a speech for £500,000 by the Chief Officer. We are all supposed to roll over because there is a bit of social policy in it or threats from outside we need to liaise very importantly. What is Jersey Finance Limited doing? I thought we give them millions of pounds on our behalf to work away from Government for the finance side. I fully support the finance side. Now we have some sort of convention issues. What convention? Very low on evidence. In fact no evidence; just if you do not do this, if you do not support us, the whole world is going to fall apart starting with the new Chief Minister. Very sorry, you have not fooled me today and I am certainly not going to roll over like the P.A.C. Chairman unless I hear a lot more in the summing up, and I doubt even the Chief Minister can think that fast on his feet. **[Laughter]**

12.1.7 Deputy C.J. Scott Warren:

I have often stated, Sir, when we have had meetings to look at future expenditure and proposed cuts have been suggested that we need to examine the proposed expenditure and the proposed cuts of what we want to do, the cost of cutting back and the cost of doing nothing and to look if we do not spend money or if we make cuts, what will be the effect on Jersey and the people Jersey say in the next 5 to 10 years? Often I believe we have had a short term approach and we have not looked further at what the cost may be to the Island. In my opinion a sufficiently resourced Chief Minister's Department is essential for good, effective government. For that reason, Sir, I will be supporting these amendments.

12.1.8 The Deputy of St. John:

If we want an efficiently run machine - that be it the government - and if we want to have independence which is something we crave for, that sort of thing comes at a cost. Some of the things that we do in Jersey as an independent Island - a Crown dependency - simply would not be done by an average county in the U.K. We have to have certain things that would not necessarily be had in other places. In other words, with independence comes cost and we need that resource if we are going to have that independence. That is a fact. The public tell us that is what they want. We want our own laws. We want our own judiciary. We want our own everything. It all goes to a pinnacle at the top, Sir. It is a pyramid. Our pyramid at the top at the moment is a bit weak. That has been clearly illustrated by the Auditor General's report and that is really what the P.A.C.

Chairman was getting at in defending this proposition because she has read the report, as have many of us, and accepted the recommendations of the Auditor General. I think Members should take very seriously his comments because I believe it is a true reflection on what we have at the moment. But it is a very difficult time for the Chief Minister to ask and make this type of request. Maybe it is the wrong time. I think that is what Members are concerned about. We have just had a big debate about G.S.T. and new tax and so on. It would be just the same as asking for higher wages for States Members at the moment. That is how it is going to be perceived by the public. It is a difficult debate to have and a difficult decision to make. But do we want effective government? Do we want to maintain our independence? If we do there is a cost to it. That is what these recommendations are about. So I think Members need to think very carefully before they say no to this. I think also the Chief Minister needs to be much more clear and outline much better the costs and benefits of this proposal. There is a lot of information in here but I do not think the full cost-benefit analysis has been fully explained, and I hope the Chief Minister can do that in his summing up. I do have a question for the Chief Minister as well. It is a matter of detail really but in Amendment 4 he talks about 2 additional officers for international relations but in the annex under emergency planning for some odd reason he talks about the necessity to promote Jersey's international identity by potentially having an office in London and Brussels, for example. It is not mentioned in the amendment but is mentioned for some odd reason under emergency planning. I happen to think that is quite a good idea but I did hear it discussed that this was a consideration we were having jointly with Guernsey. Is that still a consideration? If it is, I would like to hear more about that. Does the cost of that form part of your international relations bit of £200,000 because it is not clear? This is the type of detail I think Members are talking about. There is a bit of a lack of detail here and the devil is in the detail. I believe that what the Auditor General is saying is right but I do not know that that has been put over terribly well with the Chief Minister's office. I think that is a great shame because I think Members must be aware that I do not believe this will be some kind of frivolous bid given by the Chief Minister's Department or frivolous comment made by the Auditor General. This is serious stuff and should be taken seriously but I think the Chief Minister needs to - I hope he can do it today - give us more detail so that Members will be persuaded because I do not believe this is a frivolous bid at all but I am not persuaded by the detail I see in the documentation before us.

12.1.9 Deputy G.P. Southern:

I read with interest on page 6 the opening statement in the overview: "The Council of Ministers has delivered a Business Plan in accordance with the instruction of the States to keep within the cash limit for 2009 as agreed last year." Well, it had until very recently. Until very recently in response to changing circumstances like making a complete hash of your international P.R. (Public Relations) during the year. In response to changing circumstances the Council of Ministers had examined this list of additional spending and moved it down the priority list. If we are going to stay within our budget as agreed - as the States has instructed us - these are going to go down the list to the bottom. We will not be going for these until very recently presumably because these have appeared as an amendment. The Deputy of St. John says give us some more detail now on the hoof live and having had how long - 2nd September, a fortnight's consideration, minimum lodging time - we may well let you have these. No. Come to us with a Business Plan costed that included these in the first place and with an extended case as to why these issues are so important and we might have taken them seriously. However, like anybody else in this room, the Chief Minister and the Council of Ministers are no different to the rest of us. Had this been brought as an amendment by a Back-Bencher - as pointed out by the Deputy of St. Martin - that Back-Bencher would have had barely time to get to his feet and start to read his speech before we would be voting him out. He would be out in no time. Yet the sorts of rules and sorts of codes that apply to Back-Benchers, too late, not researched. We are just doing things on the hoof. Apparently do not apply to the Council of Ministers and we can bring last minute Johnny come lately propositions to increase spending and expect to get away with it. Well, you are not getting away with it in my book. I shall

be voting this down. As Deputy Martin says, and the inclusion of a sweetener around social policy does not make it any sweeter. This is a last minute amendment to get the Council of Ministers, the Chief Minister out of a hole and should rightly be thrown out by all sectors of this Chamber. Either you believe in sticking to budget or you do not. This is I believe ... I would even use the word trivial - trivial and should not have been brought.

12.1.10 Senator P.F. Routier:

Thank you, Sir. I am pleased to follow Deputy Southern because I think it was only yesterday he was trying to spend an extra £3 million on 3 G.Ps (General Practitioner).

Deputy G.P. Southern:

I remind the Member that it was thrown out.

Senator P.F. Routier:

I am sorry the Deputy has felt the need to leave the Chamber, he seems to be saying one thing one day and something else another day. We never seem to know which way he is heading. With regard to the comments made by Deputy Martin and her views on the social policy document. I was pleased with the comments she made about the social policy document because she had read it and she recognised that there were some very valuable things to be doing within that document. That document was pooled together by somebody who was seconded from another department because there was not sufficient resource within the social policy departments that we have. It required that because there is such cross-departmental issues to be dealt with. There are things which are to do with health which revolve in my department, in Social Security and obviously in the Health Department. There were things to do with childcare and the way we look after children and those which involved education, and home affairs to a certain extent. There was so many broad issues that required someone to be dedicated to bring all areas of social policy together. That document was brought together and it was discussed at the Council of Ministers and it was shared with Members and it received a warm welcome as something that we needed to be getting on with. That is where it has got to. We need to progress those issues within the social policy document. We will not be able to do it unless we have someone who can co-ordinate all that work. It would be a disgrace if we let that just gather dust on the shelf. It would be a waste of money, all the work that has been put together to ensure that we try and address the social issues in this Island. If we are just going to kick that into touch I think it would be a disgrace. If we want to progress areas in this Island, not only with social policies but also our international perspective, we need to be proactive. We cannot just sit on our hands and just let things ride and go along from day to day struggling and struggling to get things done. We all get frustrated about not being able to achieve things. These suggestions which are being put forward for the Chief Minister's Department are pro-active measures which will help us move forward not just to sit still and do nothing. Let us move forward in a positive manner and support these budget allocations to the Chief Minister's Department.

12.1.11 Deputy J.B. Fox:

Thank you, Sir. This is a very difficult time to be talking about increasing the amount of civil servant officers, et cetera, that is going through. It was not that long ago we were hearing about Zero/Ten and the big black hole of £100 million. We needed G.S.T. of £45 million and times were going to start getting critical by 2008/2009. We go to a point where suddenly in the midst of what seems like the rest of the world is going through crisis after crisis in one form or another, we are having this little hollow, it is like an eye of a storm, where suddenly everything is quiet and we seem to be going through it. We have had a good year; the fiscal strategies are looking good; the policies are looking good; we have some money in our bank balances that we were not expecting; and yes, I accept that all these things as we move towards a social independence, Britain is changing, Europe is changing, the rest of the world is changing, we are no longer a little Island that has been looked after by mother hen, the Commonwealth, the European and certainly the British

Government, the British Crown. People are looking to make you more independent and we have to stand up for ourselves, and that costs money as well. But we used to share jobs in the old days. The civil emergency officer, no, was on his own and we have had 2 or 3 that I have worked with over the years or had dealings with, and they have secretaries, et cetera. But they were always working with others either in Guernsey or in the U.K., or whatever. If a crisis accounted somewhere - it did not happen everywhere at the same time, it happened in different places - and you would call somebody in or you would call your colleague and they would send somebody over to give you support. That is how things were done. That is how we survived. It is the same with police forces, we had all these joint things. But nowadays we are told - and I think it is right - we have to be far more independent, we have to be more self-sufficient. Much of it is being forced on us. The problem is that we are having to bring in all these people from outside and if we look at the hierarchy in the police force, the fire service, the airport, the prison service and so forth and so on, we are having to bring in specialists from outside. What I want to see, which I know Deputy Le Hérisser has been doing a lot of upfront and I have been doing work behind the scene with others, is to try and train our own people to be able to move into these jobs when they are required and move in. But when we have great big batches like this that come in, it is not possible to train overnight. So we have to bring them in. Then they want to bring in other people that they have worked with or they know of, et cetera, and then you end up with 2 or 3 or 4 of them and we end up with a society that is different from the one that we are used to being, we are not an Island any more, we are part of something much bigger. What concerns me is that if we say yes to this today, this is an ongoing expense, this is not a one-off like a capital project, it is not a one-off that we need to do this now, but we can incorporate it with our own people and get them trained up experience, it will carry on. The trouble is is that you end up with this sort of 2-tier system, you get the local people that never actually feel that they achieve. They are somehow second hand. That is what I worry about when we suddenly get an awful lot at once; if you get one post that is coming in now because there is a very good reason and then another one. I think the timing for this ... I can understand why, as I say, we have this hollow in the middle of a storm that says we can afford it and we should invest while we can afford it. But tomorrow does not look very good and the day after looks even worse. That is what bothers me at the moment. So I shall be listening very carefully to the Chief Minister and other speakers who are going to have to do some convincing that we need to put all this in place right now, especially at this particular time. Thank you, Sir.

12.1.12 Deputy G.W.J. de Faye:

Sir, I sometimes wonder how Jersey gets anywhere when Members take this sort of approach. Small minded, carping, no vision, just pulling out the old well-worn homilies. Some problem with the timing it would seem? I would say the timing is absolutely bang on. We have the experience of a Chief Minister who has been in office for nearly 3 years, he has made it quite clear he is retiring at the end of his term of appointment, so nothing in it for him. This is not empire building by the Chief Minister coming back next year to run a bigger shop. This is the experiences of a Chief Minister telling us, quite frankly, that the department is under-resourced in a number of areas and he is very concerned about it. I am not surprised. What I am surprised about is why the Chief Minister is not getting more support for a number of areas which I would have thought Members would be entirely happy to support the Chief Minister on. Let us take international relations. Now we know the full costs of joining up to various conventions and international treaties, humanitarian rights, Kyoto. I think perhaps there is some merit in taking our international responsibilities a little more seriously because we either want to do them and we accept the costs that come with it, or we really want to think about it in some greater depth. If we want to have the resources to enable us to be on top of international relations we are going to have to have resource commitment to pursue that. Let us also remind ourselves that Jersey is now a global player. We are not a little off shore Island hiding in the channel between France and England, we are on the map. We get mentioned by candidates for the Presidency of the United States; that is how on the map we are. We have to send teams over trying to explain to U.S. authorities that: "No, actually, we are not still a

blacklisted tax haven. Things have changed. You have the wrong message.” International relations are very important for this Island. What is being put forward here is frankly relatively modest in terms of the sort of expertise that one might consider is appropriate. I listened in astonishment to a couple of Members, former members of the emergency services, apparently quibbling over emergency planning requirements. What on earth could be more important than to have proper emergency planning procedures in place? For some reason the Deputy of St. Peter looks very confused about this. I will look forward to what he has to say. What is pretty obvious from what is before us, is that we have a problem when the one man we have goes on holiday, let alone anything else. But the explanations here are incredibly clear, there is a considerable amount of work to be completed before the Island can be assured that all of the necessary plans and preparations are in place. That means we are in trouble, now. We do not have all emergency procedures in place because the one man we have currently appointed is clearly indicating he needs assistance. The assistance is an emergency planning assistant. Are we all going to sit here and go, I do not know, that is £70,000 too much, and when something grim happens in a month’s time and we all said £70,000 was too much money to spend? Social policy, you cannot even blame the Chief Minister for this one, the States Strategic Plan instructed Council of Ministers to draw up social policy framework which will become the overarching structure to ensure that social policies are properly co-ordinated and taken forward. I would like to hear one of the Members disagree with that concept as being a bad idea. It is obviously the right thing to do and we are told at present there are no resources, no resources available to co-ordinate the process. Let us just forget that then, shall we? Not provide £100,000 which will probably save us much more in the long run. Support for the Chief Minister - again you cannot blame the Chief Minister for this one, although on the basis of his experience he is able to tell us that his office would be very much advantaged - no the Privileges and Procedures Committee said that the facilities used by the Chief Minister are not of the standard that might be expected of Jersey’s political leader. In fact the Chief Minister has been frank enough to tell us that when he goes abroad he is the subject of demeaning mockery by other leaders of small Island States who cannot understand why he basically shows up as a one-man band. Do we think that is acceptable? Do we think it is acceptable for anyone we put in the role of Chief Minister? Is it acceptable for the image of the Island? Surely it cannot be. I am not going to go on, Sir, because I really think that Members must surely see the timing is right and the proposals have already been endorsed by different sections of the States. It is now the time just to put the money where the mouths have been; and to lean on the experience of the Chief Minister who, as we must surely appreciate, has no axe to grind on this one. We can rely on the benefit of experience and I urge Members to support these. These are must dos, not nice to have.

12.1.13 Senator T.J. Le Main:

Yes, Sir, I concur completely with the last speaker. Sir, I do not intend to speak very long but I have to say that as a current Minister, and like all other Members, with a dramatic changing economic climate we are on a daily basis - an hourly basis - dramatic changes take place in the world stage in which we are wholly involved. Sir, for a while now because of the pressures in the Chief Minister’s office I, as a Minister, probably more than other Members, do not feel at times that we are being able to be kept updated on very important world strategic changes. I have said this several times, I think it is very, very unfair that we are placing a huge burden on the Chief Executive and his staff. The issue is that they cannot cope with the extra work now with the dramatic changing world where this Island now is doing business all around the world. As the last speaker said, internationally and international relations. We try as Ministers, Senator Ozouf and myself who are involved in determining business grants in Jersey, (j) cats and all that. We regularly meet with the business community, with the bankers and we have lunchtime meetings to try to gain information and update us on the changing world. I have to say, Sir, that I am certainly, certainly am not in favour of increasing staffing requirements generally but this is a must do. It is absolutely important that the States of Jersey Members, any Member, Ministers are able to get up-to-date information on this changing world. Quite honestly, Sir, I have been asking and Deputy

Fox has been asking for a long time ... we wanted to go and meet in Normandy with things we wanted to discuss, and the Deputy of St. Mary, very much, we have been trying for months now to try to get some meetings on some ideas that were put to us by Senator Le Grand, ideas that could be hugely beneficial to the Island. The issue, Sir, is that we still have not been able to attend to those meetings although I see there is something programmed, perhaps not for Normandy, for Paris in November. The issue is, Sir, that I as a Minister, am often getting reports and very important updated information on a daily basis when we are holding C.O.M. (Council of Ministers) meetings and other important meetings, sometimes the day before piles and piles of paperwork is coming in because of the dramatic changing world. We need this information, we need a department that is going to be able to update all Members. As the last speaker Deputy de Faye said, we are on the world stage, as he correctly says, we are commented everywhere in the world and you only have to go to all those Members that go on C.P.A. (Commonwealth Parliamentary Association) conference or have been to C.P.A. conferences to realise that we are a very important cog in the world of finance and the world of international business. Sir, to not agree to this today in my mind would be 20 steps backwards and when I listen to the likes of Deputy Southern and Deputy Martin, well, they just have not got a clue. I am sorry, nice people, but have not got a clue. I am afraid, Sir, that I just cannot understand the logic. We are a top class international business and we need to maintain it and keep up with everybody else. I urge Members please, not only for myself as currently a Minister and for the other Ministers, but for all Members, you need to be updated and you need proper information. Thank you, Sir.

12.1.14 The Deputy of St. Peter:

Sir, it may be obvious from the comment I made earlier when the Minister for Transport and Technical Services was talking about emergency planning that that might be the subject I am talking on. A little knowledge is a dangerous thing, a lot of knowledge is dynamite. In this particular area I do have some knowledge. I am a little bit concerned when I read in the proposition that we are looking to present an assistant to the emergency planning officer. Then I read on; in effect this assistant is there to deputise for when the emergency planning officer is away. I have to say, sadly recently when we had the Broadlands fire the emergency planning officer was away and furthermore when I attended the airport exercise, which is a pre-arranged exercise, unfortunately he was not there on that occasion either, he was on leave. I do see the need for someone to be available there on the end of a telephone if there is an emergency. However, I have to say that having an extra emergency planning officer is going to make little or no difference to how Jersey can cope with a major problem because Jersey is an Island, we have a restricted amount of resource which we can put into the Island to protect ourselves from things like major incidents. We are not going to have cross-boundary extra fire engines available to us. We are not going to have cross-boundary hospitals available to us. We are not going to have extra police facilities available to us immediately. Part of the original planning that I looked at some years ago was that in the event of a fire that we would get a fire appliance sent over from the U.K. Any thinking person would know that is absolute stupidity. If there is a fire and you need a fire fighter, you need it now, not some 3 hours away by ferry. Looking back at the management, this is what we are talking about here, the actual extra post, I was aware that in times past there were people who deputised for the emergency planning officer, I was aware at one particular time the commander of the T.A. (Territorial Army) deputised for the emergency planning officer. When I challenged the deputy at one particular point - T.A. commander - he did not know what he was supposed to do, and I think that was the sort of environment that the Chief Minister found himself in at that exercise, when someone said: "Chief Minister", and he said: "How would I know what has happened? I have not even got a telephone number?" Having an assistant is not going to help, as I see it. We can get deputies to deputise for emergency planning officers from our own services that do exist. We should be very proud of our emergency services. We have very qualified police officers, very highly qualified fire offices, very highly qualified ambulance staff and very dedicated and highly qualified members of the T.A. It does not take much management, because that is what we are talking about in these events,

management ability to use those people who we already pay for so long as they know what they are supposed to be doing. So long as there is a structure there to give them a job to do in the event they are needing to do that job, vis-à-vis when the emergency planning officer is away. We have brought in a professional emergency planning officer. He does have a job to do. He has a job to manage, not go out and pick people out of fires, he has a job to manage. I think we can get him to do that job and manage. I think we can get him to pick up a deputy from the facilities that we already have on the Island, a very effective deputy without going to the extra expense of getting an assistant. Just going back to the Broadlands fire, something else was proved at the Broadlands fire; it proved that the system with the Parishes work. The one thing we did not have was effective Island-wide management. We did not have someone to press the button and say, Parish go. That is management. We know from the St. Peter's perspective that there are a lot of people, as in all parishes I am sure, that if given the task are there to meet it. The St. Peter's parishioners did not have a clue about what they were going to do, but they did it and it worked. With a bit of management we can move forward. I see this as a management problem rather than a deputising problem. I think we have the facilities within this Island to achieve it without the extra expense.

12.1.15 Senator L. Norman:

Thank you, Sir, I might have been persuaded to support this amendment if I had thought there was absolutely no waste in public administration. If I thought there was no fat. If I was convinced that serious prioritisation had taken place before this amendment was brought. If I had thought the Council of Ministers had suddenly realised they had too much taxpayers' money coming in, they had to spend it to show they had not got their sums terribly wrong. If they had not done that 2 months after lodging the Business Plan and just 2 weeks before this debate I might have been persuaded to support it. I must admit I was very amused by Deputy de Faye's speech, and I was going to comment on the proposal for assistant emergency officer but the Deputy of St. Peter has done that extremely well. I do find spending £70,000 for 2 weeks' holiday cover rather, rather extreme. I was also amused by Deputy de Faye having to remind us that international relations are important. I was also amused he had to remind us that Jersey is a global player in the finance world. He did not have to remind us, we know that already, the majority of the world knows that already. It is a pity the Council of Ministers only realised it about 2 weeks ago, or of course they realised it, they knew it, but to do something about it only 2 weeks ago, 2 months after the Business Plan was lodged. Vision, Deputy de Faye called it, it is not vision, it is not planning, it is not organisation, and it is not prioritisation. It is purely expediency and opportunism. Deputy Fox said something which I think we all agree with, that we want to resist wherever possible bringing more people into the Island to work for the public sector. We want to train more of our own people. We all agree with that, I am sure. I am sure the Council of Ministers agree with that. Yet, in the *Evening Post* tonight I see an advertisement for a stop smoking nurse adviser, no silly remarks, Deputy Troy, he is not there. A stop smoking nurse adviser. The following position does not require the post holder to have residential qualifications or have been an ordinary resident in the Island for the last 5 years. Where is our prioritisation? When I see things like that how the heck ... how can I bring myself to support this last minute amendment from the Council of Ministers? I simply do not have the conscience to do it.

12.1.16 The Deputy of St. Mary:

Thank you, Sir. Notwithstanding the words of the Deputy of St. Peter, which I think were very well chosen and I must say very persuasive. I am still minded to support this. I look forward to the Chief Minister perhaps being able to give more information on the extra roles that that deputy emergency officer would be able to undertake, which I am sure he will be able to demonstrate will be more than 2 weeks' holiday cover. As I said, I am minded to support this, I am not minded about all the amendments that have been brought to this, certainly, but this one particularly I have some experience of because, of course, I was on the panel that did the machinery of government review and I saw first hand where things were lacking in the Chief Minister's Department. Also

recent events can only have highlighted how once a government, any government, has a particular place in the world, which everybody seems to acknowledge that Jersey has, once it is there as the phrase goes, and its head goes above the parapet, it is extremely easy for the effects of that to snowball internationally. So it is vital that the Government must have the expertise to be able to react swiftly and appropriately to any challenges. Like Senator Le Main, he mentioned that the Island is a cog in many C.P.A. effects and ... in the big machine we are well-recognised. Anybody who has the opportunity, as most Members I think have, to have been in contact with members of the C.P.A. or the A.P.F. (Assemblée Parlementaire de la Francophonie) either abroad or here will know they have a much greater presence physically when they have international meetings, et cetera. That may be only window dressing to some, but in the world of international relations there is a certain amount that hinges on that presence that you bring to a meeting. I heard one Member say that he was aware of the extra burden placed on the Chief Executive and his staff. There was almost an intake of breath as if to say, pity the Chief Executive. I do not worry about the Chief Executive at all because from what I have seen of the way the department works I am quite sure that the Chief Executive, or anybody in his position, could probably get another job anywhere, any time they wanted to. The only loser in that would be the stability of our Chief Minister's Department as it is now. I think really people need to bear in mind, this House seems to give comic relief, really, to some of the important issues and if you really want to reduce it to base levels, this Government is the chicken, the Chief Minister Department is the head. Do you want your headless chicken? No, you do not. I am also very conscious, Sir, that this House is very good at initiating things, and many great initiatives have been brought forward, but what we are not very good at really is following up. I would also like to say that it is very easy in some cases for this House to heap extra responsibilities on to the Chief Minister's Department which require considerable follow up without allocating any further resources. So the department which is already stretched can be easily stretched. I give you one very small example, I do not mean to criticise the Member who brought this in any way, but the proposition about the referendum, it ended with the words: "And to charge the Chief Minister's Department." How many other propositions do that? Certainly I am aware, as a member of the P.P.C., that many things come our way. But we have to be aware that when we ask the Chief Minister's Department to do something, and with - 99 per cent of the time, it is not 100 per cent of the time - very, very worthy reasons for doing it, we ought to be able to expect them to have the resources to fulfil our own requirements. I think that is a pretty fundamental thing. Really, why I think I am going to support this, it comes down to clarity really, and simplicity. Some time ago we were invited, I think January, by the Comptroller and Auditor General to a very informative briefing called *Setting the Scene 2008*. That was ... I am not trying to belittle any Member's understanding of anything, but it was really what I would call the very basic - not idiot's guide - but a very basic guide to the actual definitions of expenditure and how they are and how there are lots of misconceptions as to what expenditure means and what savings will mean. At the end of that guide there is a section which is called, *How Should the Success of States Spending be Measured?* and that in very simple terms breaks down the traditional services of what a government exists to provide and the newer services which are, what they call, usually the social services. It explains how the success of the social services is judged partly by measuring the improvement on users' circumstances. So in other words they are very high profile. They improve the living conditions, they improve the lifestyle, they improve the wellbeing of sections of the community, so they are very easily measured. What is not measured, and this comes under the heading of, misconceptions: "Yet the people who manage for example, the States Foreign Relations will be doing work without which it might not have been possible for the frontline, the social services, to be provided in the first place. Disparaging these bureaucrats because the outcome of their work is difficult to assess would seem counterproductive." In other words, all the way through this chain of providing the benefits that our people in this Island expect, there is a certain responsibility to make sure that infrastructure, which is as much a part of government as it is a part of society, needs to be put in place. Having analysed what the Chief Minister's amendment means - and I do have also considerations about what the Deputy of St. Peter raised, I look forward to

having that clarified - on balance I do not see that I have any possibility of not supporting this particular amendment when you look at what is at stake for the Island of Jersey. Thank you, Sir.

12.1.17 Senator J.L. Perchard:

I am confused really in the sense that I want to support this proposition and yet I am not sure as to why it has come so late in the day. The popular thing to do here is to vote against this, to stick a finger in the Chief Minister's eye and the Council of Ministers and say, no, no, no more money, let us prioritise, cut public spending, very popular thing to do, easy thing to do, bit like food exemptions, let us all do that, very easy, very popular. The tough decision here is to support this amendment and say, yes, £500,000 to the Chief Minister's Department to promote Jersey's international personality, to give the position of Chief Minister a bit more *gravitas*, it is not an easy thing to justify to those that we represent. I want to know from the Chief Minister, and if he can tell me why - it must have been ... I do not know if they had a good lunch and they went to a Council of Ministers meeting 3 or 4 weeks ago and decided to support Deputy Labey's proposition to exempt foodstuffs and: "Right, let us have a bit of a spending spree, lads and lasses, let us decide an amendment to the Business Plan and find another £11.7 million to go back as an amendment." Why does the Business Plan, the original Business Plan and the annex not include these essential expenditure? What happened? What happened; was it a good lunch, Chief Minister? What happened to bring the Council of Ministers around to making this proposition? If the Chief Minister can persuade me of what it is, what happened, what happened in that moment of time to change the tack of the Council of Ministers I will support it; but I need that explanation.

12.1.18 Senator P.F.C. Ozouf:

Thank you, Sir. I understand Members nervousness about this and I would ask Members to bear in mind the difficulty that some of the areas of public administration and public spending have in getting resources. We know that there has been an under investment in infrastructure, it is not popular. Senator Kinnard has been finding it difficult to persuade to get resources for the prison. I went to the prison a week ago last Friday, not for any misdemeanour, but to look at the skills area. It was a woeful inadequate expenditure that was spent on skills; we needed to invest. I am afraid that some of these areas which the Chief Minister's Department is requesting fall within that unpopular category. Maybe the corporate centre, maybe the Chief Minister's Department, maybe the Treasury Department have not been bold enough in arguing for resources. I have been part of resource allocation for coming up to 9 years; I have seen the fundamental spending reviews. I have seen the way in which decisions have been made. I think there has been a lot of lessons learnt about the way we deal with spending. I understand that certain Members have individual issues with individual items. I will leave the Chief Minister to comment on the emergency planning issue but I will just say one thing, it is not only about the uniformed services. One thing that has become clear in the last few months, because of the work of the emergency planning officer, is the issue of oil stocks and energy stocks in the Island. It is known, it has been put in the public domain that there has been a new owner of fuel suppliers. We need to understand minimum stock levels. We helped Guernsey in shipping oil to Guernsey when they ran out of fuel. I am wanting to ensure that there are sufficient minimum stocks in Jersey for oil supply in a world of energy uncertainty, we need to deal with that. That is one issue which the emergency planning officer is dealing with. We are okay, but we need to ensure that we continue to be okay in terms of oil supply and energy supply to the Island. The salutary lesson of what happened with Guernsey in our waters which is finding it difficult to get boats into Jersey taught us a lesson. The emergency planning officer, that is one very important issue which he needs to get to grips with. The reality is, is that the corporate centre is not sufficiently tooled up. I want to address just 2 brief issues. The resource post and the international relations post. I served on the Audit Commission, the precursor to the Public Accounts Committee. I remember discussing with Deputy Ferguson when she took over the P.A.C. the numerous reports that had been written by the Audit Commission which had gathered dust. I think the Comptroller and Auditor General is doing a good job at understanding and making

meaningful potentially implementable recommendations about how to cut public expenditure. The reality is that these issues are going to require central co-ordination and they are going to require more effort in order to deliver. All members of the Public Accounts Committee who believe in the Comptroller and Auditor General's conclusions about spending will, I am sure, want to support the resource post because it is only by tooling up the corporate centre that we are going to deal with some of those centralised more difficult issues of resource. I would liken the investment in that resource post as the investment that we made in economics a few years ago. Perhaps unpopular but today we stand in Jersey with an ability to deal with the credit crunch because we have sound public finances and we have the firepower to deal with the problems in the world around us. That investment in economics has benefited the Island multiple times only and so will the investment in a central resource function. The Deputy of St. Ouen dealing with the international relations issue. I am just going to respond to the Deputy of St. Ouen because he did raise the issue of Jersey Finance. I know that the Deputy of St. Ouen believes in a successful finance industry. I know that he understands the importance of diversifying our financial services sector. Yes, we have invested in Jersey Finance, and thank goodness we have done so. We have just had a team returning this afternoon, tomorrow morning from Hong Kong, Shanghai and other areas of China. We are developing our financial services industry and the news that I have from them is good but we need to raise our game yet further. Cayman, B.V.I. (British Virgin Islands) are busy raising their profile, building business for themselves and we need to do that. I need to say to the Deputy of St. Ouen - and I am sure that he understands the difference between promoting Jersey as a finance centre and the international relations function - the Jersey Finance function, if anything in the current global turn down, is going to require more resource, not less. So I am afraid he cannot take money from Jersey Finance in order to bolster international relations. Why do we need to bolster international relations? I would draw Members attention to the Council of Ministers amendment under page 13 where it lists a number of issues that need to be dealt with in terms of the international affairs of this Island. At the moment our international relations office consists - I am not sure exactly what it is - but I think it is probably one-third, or is it a half a time senior official which is shared in international finance, and one single individual who works at not the level of a chief executive. When we compare the international function that we have with comparable jurisdictions, which we are competing with, such as the Isle of Man or if we look at Iceland, Malta, Singapore, we see the huge effort that is made in international relations to build issues such as the proper enforcement of putting in place of international exchange agreements. We need some sort of double taxation treaty which we are in early discussions with India. How are we going to do that with a one-third person and a relatively lower scale official in international relations? It is just impossible. That is not a job for Jersey Finance, that is a central government issue. Deputy Le Hérissier is holding this evening, which I will also be going to, an issue on the constitution. He was right in this Assembly, with the former Senator Lakeman, to point out that we do not even have a list of international treaties. I have been pushing the Chief Minister's Department to list the international treaties which we have signed up to. We do not have the resource to do it. We do not even know which international treaty we have in one single database. There is work on our international identity, on our international personality which is vital for the future of this Island. I understand Members nervousness. I understand Members desire to give the Council of Ministers a bit of a kicking on these issues. Frankly, we need to be no longer penny-wise and pound-foolish at the corporate centre, these investments are necessary to secure the economic situation of Jersey, to secure the international relationships that Jersey requires, quite apart from dealing with issues such as social. I urge Members, I implore Members to support this issue. A necessary investment in the corporate centre.

12.1.19 Senator B.E. Shenton:

I was elected to the States as an independent Member and I fiercely guard the fact that I am independent. I was then very fortunate by this House to be elected as a Minister. From what I have seen of the Chief Minister's Department in the 12 months or so that I have been a Minister there

could be no doubt that the department is under-resourced. While I agree with those that say that we should be penny pinching and saving money here, there and everywhere, the Chief Minister's Department is very much our face and our voice to the outside world. I think it would be a very false economy to squirrel away extra money in the bank at this stage without investing in the Chief Minister's Department at such an important time in the development, not only of this Government but of the Island as a whole. I feel that this House should support this amendment. There are areas of it which are much more important than others, but this is very much how we deal with the outside world. There is not the resources available there. I believe in my opinion there are areas where I would have expected slightly higher degrees of quality from within the department, but I put that down not so much to the lacking of the personnel within the department but just because basically they are totally overrun with work and they do not have the resources available to carry out that work to a very, very high standard that I would expect. So I therefore ask this House to support this amendment and to invest in the Chief Minister's Department, invest in a department that is very much our face to the outside world and make sure that we do not let the Island down by not showing the right window to the outside world.

12.1.20 Deputy A.J.H. Maclean:

Thank you, Sir. I have just been glancing through the proposition while I have been sitting here listening to the various speeches. A sentence caught my attention. If I may I am just going to read it. It says: "The States are now acting more decisively and strategically. Decisions are based on sound information and then implemented within budget and largely on time." Although I fully accept the principle of what the Chief Minister is presenting here, it is the process that I have most concern about. The concern that I have is the fact that this has been brought as an amendment to the Business Plan. If it was so important - and I agree with everything that Senator Shenton has just said about supporting the centre and projecting the Island in the appropriate manner and all the other issues that have been discussed by the Members, which I will not go into repeating about emergency planning officers and so on and so forth - if this is so important why was it not prioritised before? It was raised, I think it was in May, by the Comptroller and Auditor General. He identified the issues about the appropriate structure and the appropriate resourcing of the Chief Minister's Department. He said it was something that needed to be considered, needs to be looked at and I would ask the Chief Minister when he sums up if he could kindly give some more clarity into any further work that was done following that report which would help the decision making process. My biggest complaint here is that I do not like seeing last minute on the hoof presentations being brought forward, propositions being brought forward. It needs to be a fair and reasonable and measured decision making process when we are being asked to spend large sums of taxpayers' money, however good the decision or the rationale behind it may well be. I can support the principle of this, I can support the fact that this is needed, but there is a lack of detail as far as I am concerned. I am not saying I am not going to support it, because I am going to support it, I just do not like the way it has been brought. I think we need to learn lessons in the future in the way in which we go about spending money.

The Deputy Bailiff:

Does any other Member wish to speak? I call upon the Chief Minister to reply.

12.1.21 Senator F.H. Walker:

Thank you, Sir, and I thank everyone no matter what their views for a lively - and I think we needed a bit of life injected into the debate - a lively and generally pretty good debate. It was kicked off by Deputy Ferguson and I am particularly grateful for her support as President of the Public Accounts Committee. I think it is totally wrong to suggest that she and all the Public Accounts Committee rolled over. What has happened here is that they have looked at the proposals and they have come, or she certainly has come, to the conclusion that the amendment represents a good investment. She is showing that she is not just all about controlling States expenditure, although clearly that is very much top of her agenda. But she can recognise a good investment and

support it when she sees it. I am very pleased that she acknowledged the comments of the Comptroller and Auditor General and also the enormous workload the Chief Executive currently suffers under. She also spoke in great support of the change officer and absolutely right, and she is absolutely right when she said the States cannot say we want changes, we want efficient government, we want an effective government, and expect them to appear just like that when we do not have the resources to deliver them. We are just deluding ourselves if that is the approach we take. Deputy Le Hérissier said that the big hits that the Chief Minister's Department took in early years have not been continued. Absolutely wrong, Deputy, the big hits do continue; the expenditure reductions do continue; the additional responsibilities are added to on a very regular basis, and we heard a speaker mention earlier, I cannot remember who, at the referendum, it was just hoisted on the Chief Minister's Department, no resource to back it up, there you go, there is another thing to do, go and get on and do it, no resource. It cannot go on that way; it just cannot go on that way. Deputy Le Hérissier also talked very helpfully about representation in Brussels. I absolutely agree with him. If I had had my way long ago Jersey would have established its own office in London, just like the Isle of Man, Gibraltar, Bermuda and many other of our competitive jurisdictions, and our own office in Brussels, because increasingly that is where our voice needs to be heard. I suspect that I would never have had a hope of getting that past the States at a time when resources were under constraint. I respect that. We do need - we have eyes and ears in Brussels, and very effective eyes and ears - what we do not have is a voice. Part of the amendment of the Law Officers' Department is to seek to change that on a secondment basis, we have an opportunity to second a lawyer to our representatives in Brussels and that is part of the amendment covered by the Law Officers' Department. The point is absolutely well made and accepted. The social policy: Deputy Le Hérissier questioned why we needed someone for the social policy: what we need because there is so many people involved, what we have to have is a co-ordinator. If we do not have a co-ordinator to pull all the strings together, all the strands together of all the departments and all the voluntary organisations that are involved in delivering it, then we will not have organisation, it will not be effective and they will continue to work more in their own streams than they should be, rather than the whole thing being pulled together. One of Deputy Le Hérissier's main points though was basically about the Chief Officers, which is a theme he returns to very frequently. Can I say the States of Jersey, just like any other political organisation or any company, could not function without an effective senior management team. That is what it is all about. We cannot just say we have got a bunch of overpaid people here; what are they achieving? Actually, they are the delivery arm of the policies set by this House. Without them any policies we set will be frankly, useless, because we would not be able to implement them. I think it is time we faced up to the fact that there is a political responsibility and that is the ultimate responsibility. There is a policy responsibility which rests with politicians. There is a delivery responsibility which, working to political direction, we look to our Chief Officers under the leadership of the Chief Executive to deliver. They are both equally important, one cannot work without the other. There is no question of the Chief Officers usurping the political role, no question at all. This amendment is a political amendment brought by the Council of Ministers, signed up to by the Council of Ministers and it is absolutely brought forward because the Council of Ministers believe it is absolutely, as many speakers have said, in Jersey's best interest. I was grateful to the Deputy of St. Martin for his congratulations on my speech but not for much else. He was one of those who criticised the Council of Ministers for bringing this forward without its going to Scrutiny and talked about if Back-Benchers had done the same ... and Back-Benchers have done the same, they do do the same, they have done the same in this debate, they have brought forward amendments to the Business Plan. That is absolutely as it should be. I will come back to the timing issue and why it has come forward in the way it has come forward now, I will come back to that a little bit later. I would remind the Deputy of St. Martin, who has suddenly left the Chamber, and other Members, that the Council of Ministers did hold a presentation, to which all Members were invited, at which we spelt out all the aspects of this amendment, all the reasons for it and invited questions, invited any Member who wanted to to come back to me or come back to the department to raise any concerns

or questions they may have had about the amendment. To the best of my knowledge nobody did. To the best of my knowledge. Certainly nobody came to me to ask those questions, so we have been completely upfront about this amendment now for many weeks. I cannot remember exactly how long ago that presentation was, but I am guessing 6 weeks at least, probably more. Nobody came back to me afterwards. The Deputy of St. Ouen talked about the money allocated through Economic Development to Jersey Finance. Senator Ozouf picked up on that. Completely, completely different. Jersey Finance is there to market the finance industry to finance professionals. What they do not do and what they cannot do is get entrees into countries through the political process. This is what we need. We need more support to knock on political doors. To sit down with Ministers in other countries, with political leaders, with organisations that set tax policy, maybe erecting barriers which may cause Jersey problems, J.F.L. (Jersey Finance Limited) cannot possibly do that. What J.F.L. have to do is market Jersey against Guernsey, Bermuda, the Isle of Man or whatever. What we have to do is get in there where it hurts, in the political arena, and make sure that there are no political barriers to Jersey's economic development. They are 2 completely different roles. It is absolutely not right to suggest that because Jersey Finance, quite rightly, have an increased budget that we do not need the political support and representation at the same time, because one needs the other. Our competitors have moved ahead of us in this respect. The resource that some of our direct competitors are throwing at their international representation makes ours pale into total insignificance and they are getting our market. If we sit back and do nothing they will continue to erode our market and that, of course, spells disaster for everything I think this House stands for ultimately in terms of service and service provision. I will come on to emergency planning also in a bit more detail later on but the Deputy did ask me a specific question; why 1.8 employees? If we are talking about taking on an additional employee, an assistant, how come we have 1.8 already? The 1.8 is the emergency planning officer, a part-time secretary and a caretaker who puts in 8 hours a week maintaining the out of office infrastructure. I am sure Members as you are aware, there are a number of locations around the Island where emergency planning have resources which need some sort of protection and that is where the 1.8 comes from. We only have one executive involved in emergency planning itself, as I said in my speech. Senator Le Sueur asked - and we all know Senator Le Sueur is about the most prudent financial manager in the house - and he was saying: "Hang on a minute, what is the potential benefit from this expenditure?" It is far, far greater than the expenditure itself. It represents not just an on cost. It represents an investment and he went on to say that we cannot cope - "we" being the Chief Minister's Department - cannot cope with the demands put upon us at this point and that the amendment - and I could not endorse it more - is definitely in the best interests of the Island. It was Deputy Martin who accused the Chairman of the Accounts Committee of rolling over. Well, I have already dealt with that. She said: "We are being fooled." I resent that. I ask the Deputy, Sir, to give me the evidence that she is being fooled. This is straightforward, up front, to the point, very clear. There may be some detail that Members are concerned about, but being fooled? In what possible way? I just do not understand the point. It is not the first time the Deputy has made that suggestion recently and I wonder which conspiracy theory she is hanging on to at the moment but there seem to be quite a number. Sir, that is not the case. This is totally up front and straightforward and the Deputy would be among the first to complain if, because we failed to represent ourselves internationally effectively and our competitors grabbed our economy, and then we could not deliver income support or we could not deliver other forms of social policy to the level we want, the Deputy would be standing up berating the Chief Minister [**Approbation**] and the Council of Ministers, and quite rightly so, but the Deputy cannot have it both ways. The Deputy is not alone in the House when she just casts aside the importance of our economy and casts aside the importance of vigorous representation of Jersey internationally as though it is a given or it does not matter. That view could not be more wrong and could not be more dangerous to the future of Jersey. Deputy Scott Warren said absolutely correctly: "What we need to look at here is what the effect will be over the next 5 to 10 years." Absolutely. If we do not do this, my forecast - and it will not affect me directly other than as a taxpayer - my forecast is that we run risks of things

turning down quite severely. If we do do it, at least we are putting up the strongest possible fight at a time when the international economic climate is certainly stacking up against us and other finance centres as well. The Deputy of St. John said he wants efficiencies but is this the wrong time to bring forward this amendment? Well, yes, in some respects, it is. Bringing forward an amendment which looks to spend more money, which looks to recruit more staff, is clearly not going to be terribly well received at a time when we are practising, and need to practise, financial constraint but in other respects, it is absolutely the right time. What better time, what more needy time to bring forward such an amendment as the time now when the storm clouds are very clear to all of us on the international economy. He asked me if I can do a cost benefit analysis, if I can come up with the benefits. No, I cannot, Deputy, it is impossible. No one could. All I know is that if we do not fight our corner, then the dis-benefits, the downside, could be more than the Island can afford. What we will gain as a result of doing it is impossible to measure. Who knows? The Deputy knows, as a businessman, that there are times you have to invest to protect and then to develop what you have. This is one of those times. That is basically what lies behind it and I have talked about permanent officers as he referred to. Deputy Southern's position was totally exposed by Senator Routier as being absolutely misplaced because, on the one hand, he brought an amendment yesterday that wanted us to spend £3 million. On the other hand, it is not acceptable for the Council of Ministers to bring this amendment today so his position has no credibility at all. What a shame he slammed out of the Chamber in a sulk when his position was exposed. **[Approbation]** Sir, Senator Routier did a great job in that respect and he also said we either now move forward or we move backwards and he is absolutely right. Deputy Fox talked about very difficult times re bringing forward this amendment - I have already talked about that - but he talked about needing to bring managers in, executives in, officers in, to fill these vacancies. Sir, I can say that I do not believe the Deputy's fears are going to be justified. There is no reason at all why the States would need to bring in people from outside the Island to fill these vacancies. Possibly the international side of it because that requires absolute expertise and knowledge of the international structure but I cannot see why most of the other positions cannot be filled from within or at least locally and I would very much push for them to be so. That is exactly why we have embarked on new management training exercises, and why the Council of Ministers so readily accepted Deputy Le Hérisier's amendment yesterday on succession planning because succession planning is vital. Have we done enough in the past? No. Are we getting our act together in, I think, a pretty impressive way now? Yes, we are. So, if the Deputy's opposition is mounted on the fact that we would need to recruit all the executives to fill these positions, then I would suggest that that is not the case and I hope in that respect, he would decide to support it. Deputy de Faye said the timing is bang on and I think I have already talked about that and also mentioned my experience as Chief Minister for the last 3 years. Yes, this amendment is based firmly on my experience and my experience says very, very clearly we cannot - "we" being the Chief Minister's Department - cannot deliver on its many, many responsibilities with the resources it has. There is nothing in this for me personally at all. If the decision is to implement this, I will be long gone before it is implemented and my successor will inherit the new position. Nothing in it for me at all, but my experience says the Chief Minister's Department cannot deliver with the resources it currently has. Senator Le Main talked about a dramatically changing world and also said that some Members, at least, do not understand the critical nature of our international position to all of us in Jersey. He is absolutely right. The Deputy of St. Peter does have considerable knowledge, far more than me, in emergency planning, but I think he has missed the mark in his approach. First of all, can I absolutely endorse what he said that we should be proud of our Emergency Services. I am sure we all are. Certainly, I am. **[Approbation]** There is absolutely no suggestion that they are not capable of performing at a very high level because I think we all know they are, but what the Deputy said is that the problem we have here is a management problem and he is absolutely right. It is a management and a co-ordination problem and exercise Flying Swan, as the Deputy himself referred to, exposed that, I thought, dramatically. It certainly worried me when I realised that I did not have a clue what my job was in the event of an emergency, who to contact, how to contact

them, and whatever. Now, the new emergency planning officer who, let us face it, inherited a shambles, has done a fantastic job in driving the whole situation forward. What he cannot do alone is pull the whole story together and ensure that we have a co-ordinated plan with States Members, all the emergency services, the Bailiff, the Governor. Everybody who would be involved knows exactly what is in it and knows exactly what their role is as a result and it will take years for the emergency planning officer to develop that alone. What he needs is an assistant or a deputy, I do not much mind how you term it, who is going to ensure that all those essential emergency planning measures are pulled together in a short time scale. Without this extra assistance that will take - I am not saying it will not happen - but it will take a very, very long time, an unacceptably long time during which the people of Jersey could be put at risk. We are talking about an investment of £70,000 here. Senator Norman was frankly appalling when he said that the £70,000 is for 2 weeks' holiday cover. He really should know better than to misrepresent the position to that extent. I guess he is playing politics. I guess that that is the case but to say that and to say this is all about expediency and opportunism is just frankly not on and did him, in my view, no credit whatsoever. I am grateful to the Deputy of St. Mary who was a member and may still be - I do not know if it still exists - a member of the P.P.C. sub-committee that reviewed the machinery of Government. I am grateful to her for her helpful comments. The Deputy, Sir, is one of those Members who studied the Chief Minister's Department more closely than any others outside the Chief Minister's Department ourselves and she makes it very clear that we do need extra resource if we are going to deliver. Senator Perchard said: "Why so late?" If I had come forward with these amendments last year or the year before or whenever before the Comptroller and Auditor General had looked at the situation and come forward with his own comments that basically says the Chief Minister's Department is under-resourced, if we did not have the P.P.C.'s report which says that we require further resource, this amendment, in my view, would not have stood a chance. I wanted to bring this amendment, or amendments very similar to it, for the last 2 years and felt at a time when the pressure was on to give Health the growth they need, to invest in early years' education or extra education, in income support, whatever it may be, it would not have stood a chance. It needed some independent support. It now has a great deal of independent support, hence the reason I believe Members should at least give it serious consideration today. If it does not come forward today, when would it come forward? Well, if it is not approved in the Business Plan today, then nothing will happen for at least a year and I believe that is an unacceptable delay, particularly given the critical nature of the international environment at this time. Senator Perchard said it is a tough decision to support this amendment and I agree with him. I am sure it is but it was a tough decision to bring it. I have brought it because I wholeheartedly believe it is in Jersey's best interests and I wholeheartedly hope that the Senator will find the courage he is quite well-known for and realise that although this is a tough decision, it is a decision that he should and will support. Sir, Senator Ozouf stressed the importance of the amendment and said much about the international requirement that we have to meet and also the fact that we are woefully under-resourced centrally, and he went on to give an illustration that, at the moment, we do not even have a list of the international treaties. We have no prospect of getting one with the resources we have at the moment and that is bad government and that is one illustration of many that we cannot deliver on at this juncture. I am very grateful for the first time today to Senator Shenton. **[Laughter]** **[Approbation]** **[Aside]** He said he fiercely guards his independence and that is very obvious but he himself has come to his own conclusions and I do think they are meaningful conclusions, knowing where he comes from, that it would be a false economy not to go ahead with the amendment at this time. We have to realise that the Chief Minister's Department is the face and voice of Jersey to the outside world so I am grateful to him for his support and his comments that it is his own observation, the department is totally overrun at this time and I think again Members might reflect on that comment. Deputy Maclean talked about why not before. I hope I have answered that, Deputy. There was no opportunity, in my view, or no realistic chance before but I am grateful to him for suggesting his support. The work after the Comptroller and Auditor General's review has been undertaken by the Chief Executive and his team in conjunction with me and outside independent advisers and that is

what has led to the conclusion that we need this resource and we need this amendment to be passed today. Sir, I will just repeat. This is a £570,000 investment in the future of Jersey which will be repaid many, many times over. It will enable us to create a Chief Minister's Department which is fully equipped to represent us, Jersey, effectively internationally to respond to major emergencies, to drive forward our ambitious social agenda and to deliver more effective government, all of which need to be done. Sir, I repeat, if it is not approved, the Chief Minister's Department will fail and it will fail to deliver on many of the objectives this States holds to be so important and which this States has set for the Chief Minister's Department to deliver. It will fail and there will be serious consequences of that failure. Sir, I maintain the amendment.

The Deputy Bailiff:

The appel is called for in relation to the amendment which is number (1) of the various amendments put forward by the Chief Minister. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 33		CONTRE: 13		ABSTAIN: 0
Senator F.H. Walker		Senator S. Syvret		
Senator W. Kinnard		Senator L. Norman		
Senator T.A. Le Sueur		Connétable of St. Helier		
Senator P.F. Routier		Deputy R.C. Duhamel (S)		
Senator M.E. Vibert		Deputy of St. Martin		
Senator P.F.C. Ozouf		Deputy G.C.L. Baudains (C)		
Senator T.J. Le Main		Deputy R.G. Le Hérisier (S)		
Senator B.E. Shenton		Deputy J.A. Martin (H)		
Senator F.E. Cohen		Deputy G.P. Southern (H)		
Senator J.L. Perchard		Deputy of St. Ouen		
Connétable of St. Ouen		Deputy S. Pitman (H)		
Connétable of St. Mary		Deputy K.C. Lewis (S)		
Connétable of St. Peter		Deputy I.J. Gorst (C)		
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Deputy A. Breckon (S)				
Deputy P.N. Troy (B)				
Deputy C.J. Scott Warren (S)				
Deputy J.B. Fox (H)				
Deputy S.C. Ferguson (B)				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy A.J.D. Maclean (H)				
Deputy of St. John				
Deputy of St. Mary				

The Deputy Bailiff:

Very well, we come then next to paragraph (2) of the Chief Officer's amendment and I will ask the Greffier to read that amendment.

The Deputy Greffier of the States:

After the words “withdrawn from the consolidated fund in 2009” insert the words “(2) except that the net revenue expenditure of the Chief Minister’s Department shall be increased by £200,000 to enable a new post for a tax strategist to be created within the Chief Minister’s Department to work closely with the Director of International Finance and International Relations officers.”

12.2 Senator F.H. Walker (The Chief Minister):

I am grateful, obviously, to the House for the support of the last amendment and I am finding it difficult to come forward with another amendment for further funding, this time £200,000, immediately after that. I would not be doing so if this investment too was not absolutely vital to the future health of our economy. I have already spoken, as have other Members, about the competition that Jersey currently faces in the international finance markets and in other forms of our economy as well, and that competition is getting stronger and stronger by the month. Other jurisdictions have, as we noted in the previous debate, invested and invested very, very heavily in their tax planning, in their international presentation and in their international marketing. Sir, what we have at the moment is a very efficient and very effective, some would say too effective, Tax Department but the Tax Department administers the tax law and collects tax. That is the job it does. What they do not have and what they have needed, in my view - I first raised the need for a tax strategist probably 5 or 6 years ago - what they do not have is someone who can devote their entire time to assessing what other competitors are doing in terms of tax structures, in assessing what is going on internationally in the E.U., the O.E.C.D. (Organisation for Economic Co-operation and Development) or whatever it may be, in threats to our tax structure in advising the Minister for Treasury and Resources and through him, the Council of Ministers, and thence the States, on what Jersey’s tax policy should be, both from a reactive and a proactive situation. We just do not have anyone who has the time to sit down and undertake that absolutely fundamental work if we are to maintain our position economically against the competition I have already referred to. Sir, we have done very, very well in recent years. We have dramatically changed our fiscal structures and yet we have managed to have a forecast in the Business Plan which looks at a balanced budget situation over the next 5 years without resorting to borrowing and without resorting to use our reserves but we know - and I repeat again - how threatening the international economic climate now is. We know how much our competitors have stepped up their game and if we are not at the top of that game, then the losses could be very significant and very substantial indeed, and affect every single member of the Jersey community. As I say, I thought the tax strategist was necessary 5 or 6 years ago. If it was necessary then, it is critical now. We are in an entirely new ballgame, internationally and competitively, and we simply cannot afford any complacency whatsoever. We cannot afford to say: “Oh, we have managed so far, we will continue to manage even though the competition is now forging ahead very strongly.” Given the size of our tax receipts, the size of the finance industry, we cannot afford not to invest what is a very small sum of money indeed which will be repaid many, many times over. Sir, I make the amendment.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]**

12.2.1 Deputy S.C. Ferguson:

Again, I shall be supporting this although I can reassure the Council of Ministers that they cannot count on my support for the subsequent amendments. I suppose part of this expansion of specialists may well reflect the fact that the former Chief Adviser may well be thinking of retiring, although I do hope that he does not. I also suspect and hope that along with the first amendment, the Council of Ministers are preparing for the implementation of the Auditor General’s £28 million a year savings at least. We, on the Public Accounts Committee, have evidence that the Income Tax Department is under-resourced so that it does raise the question can you be working out policy and do it effectively when the department is under-resourced and overworked? I do not think so. You

can advise but you cannot do the sort of work that is necessary and therefore, much as I hate to see extra money being spent, I will be supporting this.

12.2.2 Deputy C.J. Scott Warren:

Again, I will support this amendment on the same principle that I said I would support the other one, because I believe that this additional money each year is likely to reap far more in benefits for the Island and also thereby to our Island community.

12.2.3 Deputy P.V.F. Le Claire:

I recall when I was trying to raise a fuss about the pressure that was bearing down on the Island from the European Union and the O.E.C.D. and the European tax group chaired by Dawn Primarolo. I had called for a potential referendum into Jersey's independence and I was kindly invited - I have only been invited twice - to bankers' meetings but I was invited on both occasions, once by the J.F.S.C. (Jersey Financial Services Commission) and another time to the Institute of Bankers to be requested to calm my concerns because it was being counterproductive. One of the things they made quite clear to me at both meetings was that Jersey does very well in the financial markets by existing on what could be considered "crumbs" on a global perspective in particular financial areas that Jersey specialises in, and in specialising in those areas and affording people opportunities from a tax perspective, Jersey enabled itself to position itself in a way that attracted large deposits and interesting customers and new business. I think if we do not have somebody to analyse what the tax structures are that we already understand and how they change on a daily basis, how on earth are we ever going to understand what is happening in the Middle East or the Far East or in the Russian States and the other areas that we are beginning to look at? If we are not ahead of the game, then we are going to be out of the game and £200,000 if he or she is not going to be able to drum up at least 3 times that much money, then they will be out on their ear surely. So £200,000 to make sure Jersey is a continued viable finance industry. When I bodyguarded the chairman of Merrill Lynch, he used to have 3 favourites in the company. One was the economist, the other one was the lead broker, the young kid who used to make millions before breakfast and the third favourite was the tax strategist for the company. You have to have the ability to plan. You have to have the ability to offer people something which they cannot have elsewhere and, I am sorry if some Members are mumbling, but if they think £200,000 investing in a tax strategist is a waste of money, then I ask them to look seriously at some of the money we have invested in the agricultural industry over the years. Senator Perchard is mumbling and grumbling, £800,000 a year on a compost site that produces £50,000, and we are being asked to support £200,000 for a tax strategist. I would like Senator Perchard to stand up and tell me where the investment has been over the years for the farming industry and what that has done for us because the investment in the finance industry will provide ... and I am quite astounded that Deputy Ferguson is not going to support the social issues because if you have money and you are not going to support social issues, what is the point of going and getting money? **[Approbation]**

Senator J.L. Perchard:

I must apologise to the Deputy for talking while he was talking. I just hope that we did not employ the tax strategist from Merrill Lynch. **[Laughter]**

12.2.4 Senator P.F.C. Ozouf:

Very briefly, Deputy Le Claire speaks a lot of sense sometimes **[Laughter]** and in that contribution I think he did himself a lot of justice. Sir, very briefly, there is going to be another place to debate tax matters. I notice that one election candidate is proposing to phase out G.S.T. We will debate that in another place. It was still the best of the worst options. My experience at Finance and Economics and Economic Development has clearly shown that there are real opportunities to harness greater levels of taxation with innovative planning. This is about revenue maximisation and I am sure that even the penny-pinching Constable of St. Helier, in some respects, understands the importance of investing in a tax strategist. We can do exactly what Deputy Le Claire said,

which was sharing the proceeds of economic growth with our community and if we can maximise the tax revenue from innovative ideas, then we will be able to share that revenue for the social agenda.

12.2.5 Connétable A.S. Crowcroft of St. Helier:

I feel I ought to reply to the Minister for Economic Development. I hope he is using “penny-pinching” as a compliment. The problem I have with these posts is that they do not appear to be being met from compensatory staff savings and I think that is a fairly obvious thing to do and it is one which I would commend to the Council of Ministers.

12.2.6 Deputy I.J. Gorst:

Despite the groaning at my voting in the last amendment, Sir, I will be supporting this. There is a difference which I do not believe, Sir, this Assembly has fully recognised between spending and investing. Sir, this post will be an investment which should create income which those Members who might in future wish to spend greater income will then be able to do. This is an investment. It must be supported, Sir, but I am afraid some of the other amendments that are before us are unfortunately just spending and until we have the money that this investment will create, I do not believe we should be spending, Sir. **[Approbation]**

12.2.7 Deputy J.A.N. Le Fondré:

I am only going to try and do one speech to cover a number of the points, Sir, in the interests of trying to get through this before the weekend. What I would like to say that in the first debate - I think it must have been the Strategic Plan - I accepted the forecasts that were being made and made the point that we need to be careful about expenditure. At last year's Business Plan, I was minded, along with certain other Members, to support the proposed cut in expenditure proposed by the P.A.C. at the time and it was only through certain negotiations involving a number of Members, including myself and my colleague to my right, which resulted in the Comptroller and Auditor General review ultimately which satisfied our stance at the time and here we are again. Here we are with a Business Plan that forecasts that was just about acceptable except that a few weeks ago, the Council of Ministers had lodged their own amendment to their own plan which will add £11 million to £12 million worth of expenditure for next year. For me, it is not so much next year. It is the forecast for the next 5 years and the forecast which is on page 30 of Amendment 4 that will get down to £24 million by the end of 2013. It might be helpful if Members could look at that page because I am going to refer to it in a minute as well, Sir. The reason I say it would be worth looking at it is that £24 million sounds like quite a good result, given the financial uncertainties that we have ahead of ourselves. This obviously, of course, bearing in mind the comments made by the Minister for Treasury and Resources this morning as to whether the income forecasts are accurate, given that probably, as emphasised this week, we have uncertain times with us and ahead but essentially the income forecast is pretty well flat going forward at the moment. The question is is that still too optimistic or not and we do not know at this stage. But let us consider what is not in the budgeted expenditure, even once it has been amended. Sir, what I would like Members to do is raise their heads and look in the direction of the B.B.C., Radio Jersey box where, if you like, you can give a quick wave to Miss. Tucker at the top but, Sir, I would like Members to look to the right where you will look at the plastic sheeting and the wood boarding that has been in place for quite a while. The property portfolio, for example, covers over 500 properties. The related infrastructure maintenance, which is not in the budget, will be between £5 million and £10 million for the next few years to get the estate back up to a reasonable condition. On page 78, the Business Plan, quantified it at the time to be in the order of £6 million. Matters have continued to move on since those original forecasts were made and they have not become any better. That is not a “nice to have”. That is getting things into a condition whereby they are fit for purpose and safe to use. That is £50 million in 5 years which will destroy the forecast surplus at the end of 2013. Even if it is £6 million, it is an extra £30 million by 2013 with the same result. As I said, perhaps Members only need to look above their heads to have a very simple understanding at the very simplest level of the

issues we are starting to face. My understanding is that T.T.S. face similar issues concerning their fundamental infrastructure, roads, drains, et cetera. Not very sexy stuff, not “nice to haves” but surely it is everyone’s right to be able to continue to go to the toilet when they want to. What I would like also to do, Sir, is look at the forecast on page 30 and look at the section that says: “Social Security Supplementation, £4.5 million.” There is no provision for any amount ...

The Deputy Bailiff:

Deputy, we are at the moment simply debating this one ...

Deputy J.A.N. Le Fondré:

I am looking at forecasts generally, Sir, at the numbers, and the reason I am talking about the numbers, Sir, is that numbers for 2000 and afterwards are nil. Now, there may be some very good reasons for that, for example, that Social Security are working on plans to bring plans to sort out forecasting accuracy on supplementation in the future, so I understand the principle but I am not happy at having no forecast whatsoever in future years. Finally, again, Sir, is accruing 2 per cent for a pay rise - I think it is next year - realistic? If we are one per cent out on that, that is roughly another £2 million a year. So what I am trying to say, Sir, in looking ahead on the various numbers we have to debate, including this one with us, that if all these come together, the net result would be negative and we would have, I would say, a structural deficit and that does not sound sustainable to me. Therefore, I am trying to put Members under no illusion that Members should not be under any illusion that we do not have problems ahead and, in my view, if this amendment goes through in full, they will be exacerbated. Now, I would like not to support any of this but that is impractical but I do think it does need to be trimmed and I do think that needs to be in Members’ minds when we go through the various amendments. I do not know where I am going to be on supplementation, I have to say, because the difficulty on supplementation is it is pretty well a given the department is in a difficulty there but I think I would like an explanation from probably the Minister for Social Security as to why there are not figures in subsequent years and why that is different to normal policy.

The Deputy Bailiff:

Deputy, you cannot ask for an explanation on supplementation in relation to this amendment.

Deputy J.A.N. Le Fondré:

No, Sir, I am giving him warning for the debate when it comes, Sir, whereby my understanding is that forecasts are only adjusted once States have made a decision, not in anticipation of that decision. In terms of items that are going forward, I am going to support this amendment, the tax strategist, because it is a logical investment into the economy and a revenue-generating method. I will support the law officers because we are at a critical ...

The Deputy Bailiff:

I think for the moment, if you would not mind, Deputy, just confine yourself.

Deputy J.A.N. Le Fondré:

No, that is okay, Sir, I will try and do it once. **[Approbation]** Okay, Sir, what I would like to say is that to me it is not acceptable that this amendment overall is being brought with the figures in this state and I do not think it is acceptable, given the timing of the thing and the various Scrutiny processes that were agreed at the beginning that would have gone through the Business Plan as a whole. I will be reluctantly supporting some of the amendments but not all of them. I will support this one, Sir.

12.2.8 Senator T.A. Le Sueur:

I was getting a bit worried when Deputy Le Fondré was speaking earlier but I am pleased to hear that he was ultimately going to support this amendment. Firstly, in his comments, he spoke about

the balance on the consolidated funds being down to £24 million. In fact, if Members look at the current situation, it is only £13 million, so it is going up to £24 million and not down to £24 million and that is why I can support these amendments with confidence. I think if any amendment does need supporting, it is clearly this one, as other Members have said. The fact is that this amendment is likely to yield a benefit far greater than the £200,000 being invested and that will hopefully generate the money through a deal with whatever concerned Deputy Le Fondré. Without this tax strategist, we have just not been able to get the revenue and so for that reason alone, Sir, I think he is well advised to support this amendment as I hope all other Members will as well.

12.2.9 Deputy G.C.L. Baudains:

The message I am getting from speakers is that this post is required in order to generate greater income in the future so that we can spend more in the future. I think that is a jolly good reason not to support it. **[Laughter]** **[Aside]**

The Deputy Bailiff:

Does any other Member wish to speak? Very well, I call upon the Chief Minister to reply.

12.2.10 Senator F.H. Walker:

I am grateful again to every Member who has spoken. I will not, this time, go through all the speeches because I think every Member, apart from Deputy Baudains, of course, has spoken in favour. The only 2 I would pick out are 2 of the 3 accountants. **[Laughter]** Deputy Gorst did mention knowing the difference between spending money and investing. It is a shame that he did not reach that conclusion with the previous amendment because I think the same criteria applied but I also say, Sir, it is a shame he returned to the Chamber 5 minutes too early so he could vote against. **[Laughter]** I hope, Sir, in relation to Deputy Le Fondré that the tax strategist reaches his decisions and comes to his opinions somewhat quicker than the Deputy did. **[Laughter]** Sir, I was dismayed when Senator Le Sueur stood up and said it would be 3 accountants in a row because I have had experience at dealing with one accountant at a time in the past and 3 in a row is a bit tough, but nevertheless they all ended up supporting the amendment and so they are pretty good people. Sir, I maintain the amendment.

The Deputy Bailiff:

The appel is called for in relation to amendment number (2) of the fourth amendment. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 33		CONTRE: 8		ABSTAIN: 0
Senator F.H. Walker		Connétable of St. Helier		
Senator W. Kinnard		Deputy R.C. Duhamel (S)		
Senator T.A. Le Sueur		Deputy A. Breckon (S)		
Senator P.F. Routier		Deputy of St. Martin		
Senator M.E. Vibert		Deputy G.C.L. Baudains (C)		
Senator P.F.C. Ozouf		Deputy J.A. Martin (H)		
Senator T.J. Le Main		Deputy G.P. Southern (H)		
Senator B.E. Shenton		Deputy S. Pitman (H)		
Senator F.E. Cohen				
Senator J.L. Perchard				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				

Deputy P.N. Troy (B)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				

The Deputy Bailiff:

Very well. Now, the next amendment would be number (3). Chief Minister, how do you wish to proceed? I understand there is some suggestion that you might wish to take amendment number 5 out of order?

Senator F.H. Walker:

Yes, Sir, that is a response to a request from Senator Cohen who has a medical appointment later tomorrow which he cannot break and I did accept the view that, if the States agree, take amendment (5) as first item of business tomorrow morning but whether we want to start it now, 12 minutes or so before we are due to adjourn, I do not know, but if the mood of the House is that we should, then, Sir, I would request that we do take amendment (5) before amendment (3).

The Deputy Bailiff:

Does the Assembly agree to take amendment (5) now, then, and proceed until 5.30 p.m.? Very well. The Greffier will read amendment (5).

The Deputy Greffier of the States:

After the words “withdrawn from the consolidated fund in 2009”, insert the words “except that the net revenue expenditure for the Planning and Environment Department shall be increased by £1 million to fund the first phase of an extensive package of environmental initiatives with the approval of this expenditure in accordance with the provisions of Article 14(9) of the Public Finances (Jersey) Law 2005 dependent upon the subsequent approval by the States of the introduction of a vehicle emissions duty which will generate sufficient income to fund this expenditure.”

Senator F.H. Walker:

Could I ask that the Minister for Treasury and Resources, Senator Le Sueur, acts as rapporteur on this item?

12.3 Senator T.A. Le Sueur (The Minister for Treasury and Resources - rapporteur):

Last week, we discussed a proposal from the Deputy of Grouville to exempt all zero rates domestic energy costs from G.S.T. Members may recall that the Council of Ministers did not support this part of her proposal but came up with an alternative package of measures to address the significant rise in fuel costs which has occurred over the last 12 months. This amendment addresses the first element of that package which is to institute a range of environmental measures starting with the need to provide assistance to improve home insulation. This will be delivered through the Jersey Energy Trust and Members may also be aware that the Jersey Electricity Company has offered to

contribute £500,000 to that body, but it is important that the Trust is set up and funded with States contribution of at least a similar amount. I am sure I speak for all of us when I say how grateful I am that the Jersey Electricity Company are prepared to contribute funds to a measure which will reduce the consumption of electricity. I am also grateful that it gives the States the opportunity to do something positive at a time of rising food prices and perhaps, importantly, the fact that energy sources are declining, particularly the energy from fossil fuels. So this proposal would make a further £1 million available for next year but with increasing amounts in the future years. That funding has to come from somewhere and hence the corollary to this proposal that there should be a one-off charge on the importation of new and used cars based on their environmental acceptability. Sir, I did bring a proposal of this nature earlier in the year and I was criticised at that time for presenting an incomplete picture. We did not have any total environmental package. Now we have that environmental package and I make no apologies for bringing forward these proposals for an environmental duty. Indeed, I believe that they are particularly appropriate at this time of high fuel prices and declining availability of fuels because the charge will be heavily loaded against large and environmentally unfriendly gas-guzzlers while smaller vehicles with lower emission levels will either be exempt or pay a much lower charge. I have undertaken to have discussions with the Jersey Motor Traders Federation on the precise way in which this charge can be levied and after discussions with that body, the final details will be presented to States Members when the budget is lodged for debate in December. Furthermore, Sir, and importantly, this proposal is sustainable and to me what is vitally important, it is cost-neutral so that the additional costs of those environmental benefits are matched by the emissions due to a revenue of an equivalent amount. Much as I would like to just simply say we will have the environmental benefits without having some matching revenue source, that does not lead to financial stability. Indeed, it would lead to structural financial deficits. Sir, I have presented this amendment on behalf of the Council of Ministers because the Planning and Environment Minister does not support the introduction of a charge at this time and he has lodged an amendment which we will discuss either ... we could start now, Sir. I believe that in taking this proposition, it has to be all or nothing but I do support this environmental benefit for particularly those needy people in the community who will benefit from home insulation. It is a slow start, perhaps, but it is a start in the right direction and unless we make that start, Sir, we are never going to get anywhere. It would be nice to say: "Well, let us start with the environmental benefit and raise the revenue later." That, Sir, is just an excuse for putting off a difficult decision that people do not like taking. If we wanted to have the environmental benefit, it has to be paid for sooner or later and there is no time like the present. To try to sell an environmental duty next year or the year after with no matching benefit would be far more difficult and that is why I make no apology for presenting this environmental duty now but I do stress that the key message from this proposition is not the raising of duty, it is the provision of environmental benefit. Some may suggest that we should not be raising additional taxes at this time, whatever they are. I say that the States are charged with introducing a packet of environmental measures and environmental taxes. This, maybe belatedly, is our response to providing that package, Sir. I believe that for us to do half the package would be dangerous and unsustainable. I believe we should do the whole package, Sir, and I propose the amendment.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]**

13. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008 Amd.(4)) - amendment (P.113/2008) Amd. (4) Amd.

The Deputy Bailiff:

Very well, now, there is an amendment to the amendment lodged by Senator Cohen and paragraph 1 is relevant to this particular amendment. I would ask the Greffier to read paragraph 1 of Senator Cohen's amendment.

The Deputy Greffier of the States:

Delete the words “with the approval of this expenditure in accordance with the provisions of Article 14(9) of the Public Finances (Jersey) Law 2005 dependent upon the subsequent approval by the States of the introduction of a vehicle emissions duty which will generate sufficient income to fund this expenditure.”

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

My amendment should not be seen as a criticism of my Ministerial colleagues. It should be seen as a difference of taxation philosophy. I respect my Ministerial colleagues and I respect the environmental initiatives that they have brought forward and I fully support the environmental initiatives proposed, each and every one, but that is where my support ends, for I believe that any well-designed environmental tax must satisfy 2 criteria. The first is that all the funds raised are applied to environmentally positive initiatives and, in this case, it clearly meets the test. The second is that the tax is genuinely taxing an environmentally negative action, that it must tax an evidently environmentally negative action and I believe that the proposed tax fails that test. The purchase of a new car is not, in itself, an environmentally negative action. In fact, it can be argued that increasing the price of new cars will encourage the retention of older, less efficient motor cars, particularly where we have no M.O.T. The current proposal compounds the potentially negative environmental impact of the new tax by proposing that the tax will be discounted by up to 60 per cent on the importation of older, second-hand cars. This will provide an added incentive to import older, less efficient motor cars likely to have a more damaging environmental impact. No effort at all is made in the proposals to take old, inefficient motor cars off the road and as we all know, the Island has many old, poorly serviced and poorly tuned cars on the road. All the other amendments that are proposed by the Council of Ministers are funded by raising cash limits. No new taxation source is suggested in any other case so why do we make a special case for environmental initiatives? Is it that we are suggesting that environmental initiatives and responding to our international environmental obligations are less important than the other amendments proposed by the Council of Ministers? Most importantly, successful environmental taxation is a partnership between the public and the government. To succeed, it needs enthusiasm on the part of the public. The best start is always with some pump priming cash to get the benefits going. Then when the public see the benefits, you can consider funding further initiatives by imposing appropriate environmental taxation that meets the 2 tests I have already outlined. Perhaps the best example of the public's enthusiasm for environmentally sensitive thinking is the introduction of the recent plastic bag charge whereby introducing a very small charge, effectively a tax, and applying this to environmental causes within one month caused the use of plastic bags to be reduced by more than 90 per cent. The public could see that the charge was justified as it taxed a genuinely negative action. Another factor is that the success of an environmental tax is, in fact, measured on how little it raises. Thus, the idea is to change customer habits and if this measure, i.e., Vehicle Emissions Duty, were successful and it were to encourage people to buy more energy-efficient cars that are free of V.E.D. (Vehicle Emissions Duty), then it would raise much less than the current projections because the current projections are based on current customer purchase patterns. Do not be fooled into thinking that the proposed V.E.D. tax is just on 4-wheel drive gas-guzzlers. It is not. A Ford Galaxy motor car, an everyday car for a large family, will pay over £1,000. We consulted extensively. I led the consultation on V.E.D. in 2007, albeit at that stage, and I must stress this, that it was an annual charge that was proposed at that stage but we did consult on Vehicle Emissions Duty, and the public were very clear in their response that they did not want Vehicle Emissions Duty in that form but that they were prepared to accept the principle of environmental tax based on the negative environmental action and that is the burning of fossil fuels. Many of the respondents, in fact, a majority of those who expressed a view on what alternative they would prefer, suggested that a small fuel duty on motor fuel was acceptable because it very clearly taxed those who have the most environmental impact. Most importantly, in terms of my moral responsibilities, on behalf of the Council of Ministers, I promised the public that we would not bring forward environmental taxation at this stage. We have only just introduced G.S.T. and, in my view, it is not an appropriate

time to introduce any new form of taxation. If you want to look for a source for the first year, then you can look at G.S.T. We do not know precisely how much G.S.T. is going to raise. The G.S.T. on new cars at the existing purchase split will raise about £2 million, coincidentally, exactly the same sum as we are proposing to spend on environmental initiatives and, of course, as last week, the G.S.T. food exemptions was effectively thrown out, we do have a little bit more money presently undistributed, perhaps not for long. The introduction of the proposed new tax in addition to G.S.T. would effectively double tax the purchasers of new cars and it was very clear at the time of the introduction of G.S.T. that there would be considerable consultation over the replacement for Vehicle Registration Duty, the old V.R.D. So the burning of fossil fuels constitutes the negative environmental impact of using a motor vehicle and then, in my view, the taxation associated with environmental benefits show at least consider taxing the negative impact of the burning of fossil fuels. The J.E.C. (Jersey Electric Company), as we have heard, have agreed to contribute a £500,000 one-off grant to start the environmental fund provided this is matched by the States but I do not believe that they expected a new tax to be introduced when they made this offer. The position I have taken is supported by the environmental think-tank. The Environmental Think Tank co-chairmen, Sir Nigel Broomfield and Lee Durrell, have written to the Minister for Treasury and Resources and fully support the position that I am taking that this is not an appropriate time to introduce an environmental tax, that we should make a start by delivering some environmental benefits and consider the taxation at a later date. I propose that we should fund the first year at least by raising cash limits, that we should consult again with the public next year on the best environmental tax option, including a taxation on fossil fuel burning and that we should bring forward proposals for introduction in 2010 of a publicly supported, symbiotically supported environmental tax. I think that the current proposals are unsophisticated and will not deliver the supportive relationship with the community and that potentially they could set back environmental enthusiasm among the community. I summarise by saying that I do not support taxation without appropriate consultation and I urge Members to support this amendment.

The Deputy Bailiff:

Is the amendment seconded? [**Seconded**] The adjournment is proposed.

Senator P.F.C. Ozouf:

Before we adjourn, are we going to get some guidance of exactly how we are going to deal with the remaining business because it seems to me that you mentioned yesterday - or I think it may have been the Greffier, Sir - that there were a number of amendments. Do we have an estimate of how long we are going to take? Are we agreeing to meet on Monday? What is the situation?

The Deputy Bailiff:

Yesterday, the Assembly agreed to continue tomorrow and to meet as necessary on Monday and Tuesday so that is what is in store for you, Senator. Very well. The Assembly will stand adjourned until 9.30 a.m. tomorrow morning.

ADJOURNMENT