

5. Questions to Ministers Without Notice - The Minister for Economic Development

5.1 The Deputy of St. John:

Can the Minister please give the Members the total value of monies that the States are being asked to put out for the Alternate Insurance Service Limited given that we read in the media that sums of money are going to be given to quite a number of persons who have made bad investments. That being the case, is it his intention to bring this item to the House for debate?

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

The total sum is not clear at this stage, but it will be no more than £600 million. **[Laughter]** I am glad to see such a reaction, Members are clearly awake. In particular the Minister for Treasury and Resources. The maximum amount that any investor would receive under the scheme, we are following the scheme which is currently operating in the U.K., the Investor Compensation Scheme which allows a maximum of £48,000 per investor. As far as the second and final part of the question the Deputy raised; will the matter come to the House? No, the decision has been made. The decision was taken or the request or information was taken to the Council of Ministers and the request was made to the Minister for Treasury and Resources for the appropriate funding, which he has approved in principle.

The Deputy of St. John:

Could we be told the total exposure to the Island please?

Senator A.J.H. Maclean:

Maximum £600,000.

5.2 Deputy M.R. Higgins:

The Deputy of St. John has asked the first part of the question I was going to ask; the second part, it may have been partly answered but I would like to explore it a bit further. There is no investor compensation scheme in place in the Island except for recognised funds and I would like to know, although you are following the U.K. Financial Service Compensation Scheme Rules, under what powers has the Minister approved this particular payment?

Senator A.J.H. Maclean:

The decision was taken to follow the guidelines of the U.K. system and that was exactly the decision taken. That is a scheme that runs in the U.K. and we felt that it was reasonable to use those parameters when deciding on whether or not to support this request for compensation. Is there a second part to the question?

Deputy M.R. Higgins:

It was questioning under which powers you were able to make this payment considering there is no law in place that I am aware of.

Senator A.J.H. Maclean:

We can make the decision under Ministerial Decision by Ministerial order.

5.3 Deputy K.C. Lewis:

Can the Minister inform Members if there have been any expressions of interest from any other carriers on the northern or southern car carrying sea routes?

Senator A.J.H. Maclean:

No, there have not.

5.4 Deputy S. Power:

Can the Minister confirm whether that since the beginning of April the port of St. Malo is now open to the direct landing of fish by Jersey fishermen?

Senator A.J.H. Maclean:

I think the Deputy has asked a similar question before, and I think he is probably aware from a previous answer that ...

Deputy S. Power:

Before April, a whole month has passed since.

Senator A.J.H. Maclean:

Yes, indeed, and an agreement was reached between Jersey fishermen and their counterparts in St. Malo. There have been some difficulty in terms of putting this in place but I understand that progress has been made and that fish can, in fact, be landed by private vessels.

5.5 Deputy R.G. Le Hérissier:

Could the Minister indicate where the costs of the new fencing at the airport - £500,000 - is coming from? Will some of it come from the sale of excess bollards? **[Laughter]**

Senator A.J.H. Maclean:

Over the years that I have been in this Assembly the Deputy has shown a great deal of interest in the bollards at the airport and I must say that if he would like to make an offer, I am sure we would be more than delighted to consider it very seriously. As far as the costing for the fencing, just over £500,000, that is coming from the airport funds. What I am delighted to say about that particular project is that it is a local company ... it went out to tender and a local company has won the contract, so I am delighted the local firm is going to benefit.

5.6 Deputy M. Tadier:

I am sorry to have to go on about the same issue, but I did not receive satisfaction earlier from the Minister's Assistant so once again; we heard earlier that it was said that consultation with taxi drivers and concessions, *et cetera*, at the airport was not the job of his department but the job of the banks to do this. Given that the portfolio of the airport and tourism, in particular, comes under Economic Development does the Minister agree with that and what steps would he take to make sure tourists are not given the wrong message?

Senator A.J.H. Maclean:

This is clearly a difficult area because as far as the airport is concerned and as far as Economic Development is concerned, we would like the best possible facilities we could have at the airport, including cash dispensing machines and those machines dispensing sterling which are particularly valuable for those going out of the Island. However, this is a matter which is a commercial matter. The bank is providing a facility, the airport and the States do not have the ability to put cash machines in, they have to rely on a supplier and unfortunately it is not - we are told by the bank in question, and we have spoken to other banks as well - economically viable for them to maintain that machine or those machines in that particular area. It is an unfortunate situation.

Deputy M. Tadier:

With respect, it may be a commercial issue but it is an issue which will affect the financial wellbeing of the Island perhaps and this is an area that the department should be leading on. Will the department be seeking an alternative operator for the cash machine which is in a vital location? It is the only one which is available to the public.

Senator A.J.H. Maclean:

We have spoken to a number of other banks looking to see if we could find somebody else interested in putting a facility in there but I must say we have not been knocked over in the stampede of interest. I think one of the reasons is that banks realise that people departing tend to get their cash at the point of departure, not the point of arrival. That is probably why that machine is not being utilised in the way that we would have liked to have seen it and obviously to make it sustainable from the bank's point of view.

5.7 The Deputy of St. Martin:

Last year we were expecting the draft Licensing Law to be lodged. I understand it now going out for consultation. Would the Minister advise Members when the consultation is ending and when the draft Law is likely to come to the States for approval?

Senator A.J.H. Maclean:

The consultation process goes on until June. As far as the actual law drafting and law coming to the States I cannot give a precise figure at this stage but I am happy to liaise outside of this session with the Deputy to give him some more detailed information.

5.8 Deputy G.P. Southern:

Can the Minister inform Members whether the, I believe it was, £500,000 of money found to support the tourism industry through these recessionary lean times was, in fact, fresh money and not money already allocated to the Tourism Development Fund?

Senator A.J.H. Maclean:

Yes, it was in fact a mixture. £250,000 of this £550,000 the Deputy is referring to came from Economic Development. It was re-prioritisation of our existing budget to have delivered that £250,000, £250,000 from the Tourism Development Fund and, what I am particularly delighted about, £50,000 from the Jersey Hospitality Association showing that the industry is also behind the initiative.

Deputy G.P. Southern:

If I may, could the Minister inform Members from which other fund the money was re-prioritised, who is not getting it?

Senator A.J.H. Maclean:

As far as Economic Development is concerned and in the current economic climate it is essential that budgets are re-prioritised at this time. We have to be in a position to be able to move fast. At the current time, with bookings not being particularly strong, we need to take money further in the year from our budgets from different areas to put into there, so we hope to be able to replace that at a later stage from money from the Stabilisation Fund through the stimulus package but essentially it is from Jersey Enterprise budget.

5.9 Deputy D.J. De Sousa:

Following on from the questioning from Deputy Southern, what is the Economic Development Department doing in the current downturn to boost tourism and to continue to encourage tourists to come to the Island?

Senator A.J.H. Maclean:

We are continuing to work with businesses both on the Island and obviously our key airlines and ferry operator to ensure that packages are put together to encourage people to come to the Island, so clearly the marketing of the Island is key. I have just been talking about the question from Deputy Southern about additional funding into tourism marketing, that is television advertising, posters in the U.K. and a number of other initiatives to supplement the existing marketing spend. We will continue to support the tourism industry and help to drive tourists to the Island. I am

pleased to say that the levels of inquiries are quite high at the moment. What we are working on is trying to convert them. We are hopeful we can benefit from the currency differentials as well where people will choose to come to a sterling denominated location as opposed to a more expensive euro area.

5.10 Deputy K.C. Lewis:

Following on with the currency, as the Minister is aware that the Battle of Flowers is looming very soon, most Parishes have to buy their flowers from Europe and with the fluctuation of the Euro this is adding several thousand pounds to each of the Parish Associations. Will the Minister look again at the grant given to Parish floats with a view to increase it?

Senator A.J.H. Maclean:

It is again very difficult at this late stage. I do appreciate the problem that the extra cost of the flowers present and, of course, we will be as sympathetic and lend what assistance we possibly can in that area.

5.11 The Deputy of St. John:

If I could remind the Minister what he said on the figure of £600,000 earlier on, it was a decision being made by himself and his ministry. Given that being the case will he bring to the House for debate by the House the company concerned and the funding that is required and if not will he supply all the papers to a back-bencher so a back-bencher can bring the item to the House for debate?

Senator A.J.H. Maclean:

First of all, I think I need to clarify an earlier comment that I made in that regard to the Deputy's previous question. First of all, I made a request to the Council of Ministers on this matter. I took the information to the Council of Ministers where it was debated and I made a request to the Minister for Treasury and Resources for funding for the payment to the Alternate investors. There were not funds and are not funds available in Economic Development and so it is not within my remit, say, to provide funding. So, in that respect it was the Council of Ministers and supported by the Minister for Treasury and Resources from a funding perspective, the payment has been made so the answer to the second part of the Deputy's question is no.

The Deputy of St. John:

For point of clarification, is that no, he will not supply the papers to a back-bencher for debate or no, that he will not bring it to the House?

Senator A.J.H. Maclean:

The correct approach, if so chosen, is that the matter should be scrutinised and the information would be perfectly available for the Scrutiny Panel. I see he is not in the House at the moment but if the chairman of the Scrutiny Panel wishes to scrutinise it, of course it is entirely within his powers to do so and of course we would assist him in the matter.

5.12 Deputy R.G. Le Hérissier:

Does the Minister, as the flag bearer for the rural strategy, share the extreme disappointment of people as to the rejection of the planning application for allotments and could he reassure the House that he will be putting all pressure to bear in the right quarters for the creation of allotments?

Senator A.J.H. Maclean:

In fact I am very enthusiastic about allotments. Last year I spoke to the department about progressing matters and the Constable of St. Clement, the Assistant Minister, who looks after the agricultural areas in Economic Development, has been tasked specifically with that matter and he

is putting a working group together to further the interests of allotments. I think it is a splendid idea and I can understand why, indeed, the request was turned down for good reasons but I am sure there are other sites on the Island and I hope we can progress allotments as quickly as possible.

5.13 Deputy M. Tadier:

The Minister mentioned a moment ago about marketing for tourism which I would say is a laudable initiative but what areas has the Minister identified for the improvement of looking after tourists on the Island from their moment of arrival to departure?

Senator A.J.H. Maclean:

The key involvement that Economic Development have in that area is supporting local businesses. The Deputy would appreciate that most tourist attractions and facilities within the Island fall into small businesses, and through Jersey Enterprise we are working with local businesses to ensure that they are as productive and as able to market themselves as possible. I believe that the Island generally has an excellent range of different facilities for tourists. Of course we can always improve and we will work with local companies to ensure that they offer the best possible services.

5.13.1 Deputy M. Tadier:

Would that also extend, when you talk about local businesses, to taxis and buses because there have been extremely long queues when people arrive at the airport and at the harbour which is frankly embarrassing, I believe, and not sending out the right message to the tourists?

Senator A.J.H. Maclean:

Absolutely and I share the frustrations of the Deputy in that matter. Sadly, the taxis are outside of our direct control. As the Deputy is probably aware it falls with Transport and Technical Services. It is a matter that I have mentioned and will have further conversations with that Minister about. It is a difficult area but we do need to deal with it and try and get a far better service. One point I could add is that a new shuttle service from the harbour is about to be introduced, which is a free service I believe, running from the harbour to the central terminus and that is a very positive sign for people arriving on the Island.