

## **STATEMENT ON A MATTER OF OFFICIAL RESPONSIBILITY**

**5. Senator S.C. Ferguson, Chairman of the Corporate Services Scrutiny Panel, will make a statement in accordance with Standing Order 79(4) regarding the scrutiny of the proposition entitled Tourism Development Fund: assistance to the private sector (P.26/2012)**

### **5.1 Senator S.C. Ferguson:**

Members will recall that at our sitting on 2nd May, P.26/2012 was referred to the Corporate Services Scrutiny Panel under Standing Order 79. In accordance with that Standing Order I can confirm that the panel has subsequently considered this matter and agreed to review the proposition. The panel has established a sub-panel to undertake the review of which Deputy Power will be Chairman. He will be joined on the sub-panel by Deputy Rondel and, as Chairman of the Economic Affairs Scrutiny Panel, the Deputy of St. Martin. I will not take part because as Members will recall I have a conflict of interest in this review. I understand that the sub-panel is due to meet tomorrow at which time it will confirm terms of reference. I can also report that it is the sub-panel's intention to hold public hearings with the Minister for Treasury and Resources, the Minister for Economic Development and the Chairman of the Tourism Development Fund and arrangements are being made for those to take place. The debate on P.26/2012 is currently listed to resume on 10th July. I would ask that it remain listed for that date by which time the sub-panel will have completed its review and reported to the Assembly.

### **The Deputy Bailiff:**

Are there any questions from Members for the Chairman of the Corporate Services Scrutiny Panel?

#### **5.1.1 Deputy R.G. Le Hérissier:**

Yes, does the Chairman believe that it will be necessary to get major recipients of previous and potential government funding in order that they can assess whether or not such groups or such individuals or such organisations are the right kinds of organisations to receive funding and if so how will she go about encouraging this participation?

### **Senator S.C. Ferguson:**

I think the Deputy raises some very good points and I will refer them to the Chairman of the sub panel to deal with.

[17:00]

#### **5.1.2 Deputy M. Tadier:**

Does the Chairman think there is enough of a timescale to look at the various issues surrounding what is being proposed to the fiscal stimulus here to look at such things as fiscal leakage, how much of the money being proposed here would find its way back into the Jersey economy and to stay here in the long term?

### **Senator S.C. Ferguson:**

Yes, again the Deputy raises some interesting economic questions, ones which the panel has also raised about the various fiscal stimuli that are being applied and so on and so forth, so that these are, as I say, interesting economic developments and no doubt the Minister for Treasury will come up with some ideas. I am sorry, no, it will be the Chief Minister because of course the Economic Adviser works for the Chief Minister and I think probably an economic review of the monies that we have spent, whether under fiscal stimulus or under Tourism Development Fund, would be useful, but I think, on the basis of the proposition, the Chairman of the sub-panel and the members thereof are of the opinion that they can perform the review within the timescale given, and I have the utmost confidence in them to do that.

**Deputy M. Tadier:**

It is a different question, Sir, so I will let other people ...

**5.1.3 The Deputy of Grouville:**

I cannot help but feel this is Scrutiny window-dressing. No, I am sorry; I am entitled to my opinion. This is a review that is going to take place and the debate resumes on 10th July. Bear in mind that Economic Development lodged the report on 26th March. I believe, if we are meant to resume the debate on 10th July, if there are such findings in the report, what timeframe does the Chairman envisage that amendments can be brought forward in, if there are substantive suggestions/recommendations, if this is going to mean anything, or if it just a delay?

**Senator S.C. Ferguson:**

Well, obviously, I presume that the Deputy is talking about amendments by the Scrutiny Panel and not by Members of this Assembly. I think with these sorts of reviews it is usually fairly clear early on as to whether amendments are needed. I am not sure what the position is if the debate has already commenced. [Aside] Right, thank you. Sorry, I do not think we have really, sort of, considered that, but ... sorry, Sir.

**The Deputy Bailiff:**

No. Carry on. I did not realise you were still answering the question.

**Senator S.C. Ferguson:**

No. I will finish and let you come in, Sir, no problem.

**5.1.4 Deputy R.G. Le Hérissier:**

Can the Chairman indicate, given she is conserving her energy and absenting herself, will she be applying her formidable energies on P.A.C. (Public Accounts Committee) to procure the early publication of the Lime Grove Report?

**Senator S.C. Ferguson:**

That is nothing to do with me, that is a matter for the Auditor General, and nobody tells the Auditor General what to do.

**The Deputy Bailiff:**

I am not sure it is much to do with the Tourism Development Fund either. Deputy Tadier?

**5.1.5 Deputy M. Tadier:**

I am happy to give way to Senator Ozouf, who has not asked a question yet, otherwise I will proceed. I am sure we have time either way, Sir.

**The Deputy Bailiff:**

You may miss your opportunity, Deputy Tadier.

**Deputy M. Tadier:**

In that case, I will not be so generous. Will the Senator confirm whether there will be an opportunity for Members of this Assembly who think that they may have a better plan than what is being proposed and scrutinised here, in the sense of a cheaper option which is more effective at stimulating both tourism and the economy, to make submissions formally to the sub-panel?

**Senator S.C. Ferguson:**

Submissions to any Scrutiny Panel or sub-panel are always welcome and I am sure if the Deputy cares to put his ideas together and probably agrees to appear as a witness, then I am certain that the Chairman and members of the sub-panel will give it full consideration. Obviously, I cannot

dictate what they are going to do with the review, but I am sure they will receive any ideas, any submissions favourably.

**5.1.6 Senator P.F.C. Ozouf:**

Would the Chairman agree that while arguments of economic leakage are interesting academic questions, what is really important for Jersey at the moment is the creation of jobs for local people and will they direct their attention on the effectiveness of the T.D.F. (Tourism Development Fund) to securing additional jobs of local people in tourism?

**Senator S.C. Ferguson:**

I do not think that the good Senator and I agree on the economic side because I would like to have seen an economic review of the fiscal stimulus. We have seen an accounting view, but we have not seen an economic view. I think, yes, we need to look and see whether the Tourism Development Fund is putting money into projects which bring jobs to the Island; for instance, I understand that the Jersey Heritage historic properties to let are doing very nicely, thank you very much, but there are other projects which, certainly when I looked at them, I thought: "Well, you know, where are the jobs for the locals in this?" But, basically, yes, we need to look at where they will produce jobs. As other Members will know, I do not believe that normally government can make jobs. Government can provide the economic background, the atmosphere, but government cannot make jobs. If government makes jobs, they are usually in the public sector, and that is not where we want to produce jobs.

**Senator P.F.C. Ozouf:**

A point of clarification. Is the Senator not aware that the F.P.P. (Fiscal Policy Panel) are economists, not accountants.

**Senator S.C. Ferguson:**

The F.P.P. tend to be Keynesian economists and, as the Minister knows, I do not quite subscribe to Keynes' theories; I prefer the Austrians.

**The Deputy Bailiff:**

If we can get back to the Tourism Development Fund. Deputy Maçon.

**5.1.7 Deputy J.M. Maçon:**

Will the Chairman reaffirm that this particular review was looking at the governance and dispensation of public funds to private individuals, and that is the key thing which many of the Members were concerned about when it was referred to the Scrutiny Panel in the first place?  
**[Approbation]**

**Senator S.C. Ferguson:**

I thank the fellow Chairman of the Scrutiny Panel for reminding us of that and I am sure that the Chairman and the members of the sub-panel will keep that in mind.

**5.1.8 Senator A.J.H. Maclean:**

Does the Chairman think that if Members of the Assembly have a cheaper and better way to stimulate tourism and the economy, that it might be a good idea to share those with the Minister for Economic Development?

**Senator S.C. Ferguson:**

Maybe the Minister for Economic Development has not noticed the judicious application of my handbag to him on occasion.