

**THE STATES assembled on Tuesday  
18th January 2005, at 10.15 a.m. under  
the Presidency of the Bailiff,  
Sir Philip Bailhache.**

All members were present with the exception of –

Celia Joyce Scott Warren, Deputy of St. Saviour- ill.

Prayers

**Tribute to the late Mr. John Stephen Rothwell, former States member**

The Bailiff paid tribute to the late Mr. John Stephen Rothwell, former Senator of the States of Jersey.

THE STATES observed one minute's silence as a mark of respect.

**Asian tsunami disaster – acknowledgement**

The Bailiff, on behalf of all members, acknowledged the destruction and human loss of life resulting from the Asian tsunami disaster.

THE STATES observed one minute's silence as a mark of respect for those who had perished in the disaster.

**Connétable of St. Clement– re-election**

The Bailiff, on behalf of all members, congratulated Mr. Derek Frederick Gray on his re-election as the Connétable of St. Clement.

**Service of Dedication – thanks**

The Bailiff, on behalf of all members, thanked the Dean of Jersey and all those involved in the organisation of the Service of Dedication which had been held at the St. Helier Parish Church prior to the meeting.

**Subordinate legislation tabled**

The following enactments were laid before the States, namely –

Royal Court Rules 2004. <i>Superior Number of the Royal Court.</i>	R&O 161/2004.
Amendment (No. 29) to the Tariff of Harbour and Light Dues. <i>Harbours and Airport Committee.</i>	R&O 162/2004.
Motor Vehicle Registration (General Provisions) (Amendment No. 13) (Jersey) Order 2004.	R&O 163/2004.

*Home Affairs Committee.*

Road Racing (Karts) (No. 2) (Jersey) Order 2004. R&O 164/2004.  
*Home Affairs Committee.*

Social Security (Married Women) (Amendment No. 4) (Jersey) Order 2004. R&O 165/2004.  
*Employment and Social Security Committee.*

Road Traffic (Saint Clement) (Amendment No. 17) (Jersey) Order 2004. R&O 166/2004.  
*Environment and Public Services Committee.*

## **Matters presented**

The following matters were presented to the States –

Jersey Council for Safety and Health at Work: report for the period 1st July 2003 to 30th June 2004. R.C.1/2005.  
*Presented by the Employment and Social Security Committee.*

Planning applications: requirement to publicize (P.175/2004) – comments. P.175/2004.  
*Presented by the Finance and Economics Committee.* Com.(2)

Planning applications: requirement to publicize (P.175/2004) – comments. P.175/2004.  
*Presented by the Connétable of St. Martin.* Com.(3)

Planning applications: requirement to publicize (P.175/2004) – comments. P.175/2004.  
*Presented by the Health and Social Services Committee.* Com.(4)

Jersey Airport: Fireground Remediation – Deed of Settlement (P.176/2004) – comments. P.176/2004.  
*Presented by the Health and Social Services Committee.* Com.(3)

Draft Public Finances (Jersey) Law 200- (P.180/2004): addendum to report. P.180/2004. Add.  
*Presented by the Finance and Economics Committee.*

A People's Advocate (P.202/2004): comments. P.202/2004.  
*Presented by H.M. Attorney General.* Com.

Senators and Deputies: terms of office (P.227/2004) – comments. P.227/2004.  
*Presented by the Finance and Economics Committee.* Com.

H.M. Prison, La Moye: cell block, kitchen, electrical substation and fuel farm – approval of drawings (P.2/2005) – comments. P.2/2005. Com.  
*Presented by the Finance and Economics Committee.*

The following matters were presented on 21st December 2004 –

International Conventions and Agreements: progress report for period 1st April 2002 to 30th September 2004. R.C.54/2004.  
*Presented by the Policy and Resources Committee.*

Freedom of Information Law: position paper. R.C.55/2004.  
*Presented by the Privileges and Procedures Committee.*

Draft Public Finances (Jersey) Law 200- (P.180/2004): comments. P.180/2004.

THE STATES ordered that the said reports be printed and distributed.

### **Matters noted – land transactions**

THE STATES noted an Act of the Finance and Economics Committee dated 13th January 2005, showing that, in pursuance of Standing Orders relating to certain transactions in land, the Committee had approved –

- (a) as recommended by the Harbours and Airport Committee, the lease to VLM Limited of office accommodation in Alares House, Jersey Airport, St. Peter (known as Airport Letting B004H) for a period of three years, two months from 28th October 2004, at an initial annual rent of £2,640, to be reviewed on 31st December 2005, and 2006 in line with the Jersey Retail Price Index; and,
- (b) as recommended by the Environment and Public Services Committee, the entering into of a Deed of Arrangement with Le Clos Fauvic Limited for the exchange and counter-exchange of three areas of land in order to redefine the north-eastern boundary of the property formerly known as Fauvic Garage and to facilitate the widening of the adjacent public footpath. The existing north-eastern boundary was currently defined by a granite wall of 3 feet in height: this was to be demolished and rebuilt in accordance with Public Services Department drawing No. 002, dated 2nd August 2004, by Le Clos Fauvic Limited which company would also undertake the preparation of the footpath to include the supply and fitting of all necessary curbing stones. The Committee was to resurface the pavement to include the supply, laying and rolling of macadam fillet at a total cost of £3,266.52. Accordingly, the public would acquire from the company (for a consideration of £1) an area of land totalling 7.57 square metres; Le Clos Fauvic Limited would acquire from the public (for a consideration of £1) 2 areas of land totalling 2.65 square metres – as shown on the aforementioned drawing.

### **Matters lodged**

The following matters were lodged “au Greffe” –

Draft Royal Court (Amendment No. 11) (Jersey) Law 200. <i>Presented by the Legislation Committee.</i>	P.7/2005.
Windfarm near Les Ecréhous. <i>Presented by the Policy and Resources Committee, and referred to the Environment and Public Services Committee.</i>	P.8/2005.
Draft Liquor (Restrictions on Consumption) (Jersey) Law 200-. <i>Presented by the Home Affairs Committee.</i>	P.9/2005.
Broad Street, St. Helier: proposed works. <i>Presented by Senator E.P. Vibert, and referred to the Environment and Public Services Committee.</i>	P.10/2005.

The following matter was lodged on 21st December 2004 –

Jersey Police Complaints Authority: appointment of members. <i>Presented by the Home Affairs Committee.</i>	P.232/2004
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The following matters were lodged on 4th January 2005 –

Draft Public Finances (Jersey) Law 200- (P.180/2004): second amendments. <i>Presented by Deputy S.C. Ferguson of St. Brelade.</i>	P.180/2004. Amd.(2)
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Referendum: Composition of the States Assembly. P.1/2005.  
*Presented by Senator L. Norman.*

H.M. Prison, La Moye: cell block, kitchen, electrical substation and fuel farm– P.2/2005.  
approval of drawings.  
*Presented by the Home Affairs Committee.*

Connétables: voluntary re-election in 2005. P.3/2005.  
*Presented by Senator M.E. Vibert and referred to the Comité des Connétables.*

Shadow Scrutiny Panels and Shadow Public Accounts Committee: appointment of P.4/2005.  
Shadow Chairmen and membership.  
*Presented by the Privileges and Procedures Committee.*

The following matters were lodged on 11th January 2005 –

Draft Amendment (No. 28) of the Standing Orders of the States of Jersey. P.5/2005.  
*Presented by Deputy G.P. Southern of St. Helier, and referred to the Privileges  
and Procedures Committee.*

Housing Rent Subsidy Scheme: disregard to long-term incapacity allowance. P.6/2005.  
*Presented by Deputy G.P. Southern of St. Helier, and referred to the  
Employment and Social Security and Housing Committees.*

#### **Château La Chaire, Rozel, St. Martin: use of public funds– P.22/2004 – withdrawn**

THE STATES noted that, in accordance with Standing Order 22(3), the Deputy of St. John had instructed the Greffier of the States to withdraw the proposition regarding Château La Chaire, Rozel, St. Martin: use of public funds, (P.22/2004 lodged “au Greffe” on 3rd February 2004).

#### **Housing Rent Subsidy Scheme: disregard to long-term incapacity benefit – P.207/2004 – withdrawn**

THE STATES noted that, in accordance with Standing Order 22(3), Deputy Geoffrey Peter Southern of St. Helier had instructed the Greffier of the States to withdraw the proposition regarding the Housing Rent Subsidy Scheme: disregard to long-term incapacity benefit, (P.207/2004 lodged “au Greffe” on 23rd November 2004), the Deputy having lodged a revised proposition on 11th January 2005.

#### **Arrangement of public business for the present meeting**

THE STATES confirmed that the following matters lodged “au Greffe” would be considered at the present meeting –

Draft Civil Evidence (Jersey) Law 2003 (Appointed Day) Act 200-. P.228/2004.  
Lodged: 14th December 2004.  
*Legislation Committee.*

Jersey Brewery site, Belmont Place, St. Helier: deletion of site warehouse (only) P.231/2004.  
from the list of sites protected for Category A housing under Policy H4 of the  
Island Plan 2002.  
Lodged: 15th December 2004.  
*Environment and Public Services Committee.*

Shadow Scrutiny Panels and Shadow Public Accounts Committee: appointment of Shadow Chairmen and membership. P.4/2005.  
Lodged: 4th January 2004.  
*Privileges and Procedures Committee.*

### **Arrangement of public business for the next meeting on 1st February 2005**

THE STATES confirmed that the following matters lodged “au Greffe” would be considered at the next meeting on 1st February 2005, in the following order –

Draft Medicines (Amendment No. 2) (Jersey) Law 200. P.214/2004.  
Lodged: 7th December 2004.  
*Health and Social Services Committee.*

Senatorial Elections 2005. P.221/2005.  
Lodged: 7th December 2004.  
*Deputy P.N. Troy of St. Brelade.*

Connétables: voluntary re-election in 2005. P.3/2005.  
Lodged: 4th January 2005.  
*Senator M.E. Vibert*

States Members’ remuneration: register. P.225/2004.  
Lodged: 14th December 2004.  
*Privileges and Procedures Committee.*

Draft Housing (General Provisions) (Amendment No. 21) (Jersey) Regulations P.226/2004.  
200-.  
Lodged: 14th December 2004.  
*Housing Committee.*

Senators and Deputies: terms of office. P.227/2004.  
Lodged: 14th December 2004.  
*Deputy A. Breckon of St. Saviour.*

Jersey Police Complaints Authority: appointment of members. P.232/2004.  
Lodged: 21st December 2004.  
*Home Affairs Committee.*

Referendum: Composition of the States Assembly. P.1/2005.  
Lodged: 4th January 2005.  
*Senator L. Norman.*

H.M. Prison, La Moye: cell block, kitchen, electrical substation and fuel farm– P.2/2005.  
approval of drawings.  
Lodged: 4th January 2005.  
*Home Affairs Committee.*

H.M. Prison, La Moye: cell block, kitchen, electrical substation and fuel farm– P.2/2005. Com.  
approval of drawings (P.2/2005) – comments.  
Presented: 18th January 2005.  
*Finance and Economics Committee.*

Draft Amendment (No. 28) of the Standing Orders of the States of Jersey. P.5/2005.  
Lodged: 11th January 2005.

*Deputy G.P. Southern of St. Helier.*

Windfarm near Les Ecréhous.  
Lodged: 18th January 2005.  
*Policy and Resources Committee.*

P.8/2005.

**Mains drains services – question and answer** (Tape No. 995)

The Deputy of St. John tabled the following written question of Senator Philip Francis Cyril Ozouf, President of the Environment and Public Services Committee –

“As the President has stated, during the 2004 Budget debate, that once the existing funding for mains drains is exhausted no additional mains drains extension can be put in place, would he inform members what action, if any, the Committee intends to take to obtain additional funds for this area of work, and what areas of the Island are still not served by mains drains?”

The President of the Environment and Public Services Committee tabled the following written answer –

“The Environment and Public Services Committee’s policy on the extension of the foul sewer network is to continue to extend the system to serve as many areas of the Island that remain unconnected to the network as can practicably and affordably be connected, subject to the availability of funds.

The Committee originally requested £5.14 million for the 2005 sewers capital programme, but this was reduced to £3 million as a result of the FSR process. This was confirmed by the States in the Resource Plan and in the Budget Debate.

When considering how best to utilise the available funding, the Committee’s first priority must be given to its programme for the maintenance of the existing sewerage network. This entails the replacement or upgrading of various sections of the existing sewerage system to ensure that the structural condition and required hydraulic capacity within the system is maintained.

Having identified the required funding for these high priority reconstruction schemes, any remaining available funds will then be utilised for schemes to extend the foul sewers. The funding voted for the sewers programme in 2005 is sufficient to enable one major foul sewer extension scheme to be undertaken.

In the period 2006 to 2009, early indications are that the funding for the sewers capital programme could be further reduced to approximately £2 million per year. With this level of funding, virtually all of the available funds will be required for the reconstruction programme, and hence it is unlikely that any funds will be available to undertake sewer extension schemes in any of these years.

In view of this, the Committee intends to press hard during the Capital Funding Review process later this year, to gain agreement to increase the amount voted to the sewers programme, so that work on the sewer extension programme may continue, albeit, at a much slower pace than in the past.

If this is unsuccessful, the Committee will consider alternative funding sources. Options could include an annual sewerage charge or a supplement on water rates. It should be stated that in most countries, finance for their sewerage networks is provided not by taxation, but by some form of direct charge. Indeed, water and sewerage charges in the U.K. have risen this year because of the need for the Water Companies to invest in their networks. These challenges are not unique to Jersey.

As regards the areas of the Island still not served by mains drains, I would confirm that approximately 5,000 properties (14%) remain unconnected, these properties being predominantly in the rural areas throughout the Island.

The Committee believes that more properties should be connected, and the Committee is determined to put in

place a strategy to meet the short and long-term requirements for the disposal of sewage on the Island.”

**Progress on a legislation audit by the Environment and Public Services Committee – question and answer**  
(Tape No. 995)

Deputy Gerard Clifford Lemmens Baudains of St. Clement tabled the following written question of Senator Philip Francis Cyril Ozouf, President of the Environment and Public Services Committee –

“As a result of the adoption of P.134/2004, (‘Regulatory Reform’) of the Policy and Resources Committee by the States on 15th September 2004, all Committees are required to carry out audits of legislation which fall under their own administration. Would the President advise what progress the Committee has achieved to date in this regard, when he expects the work to be finalised and whether the Committee is working to a prioritised list? Should such a programme exist, would the President make it available to members?”

The President of the Environment and Public Services Committee tabled the following written answer –

“The Committee will review all of the legislation under its control, in compliance with the States decision. Planning is the area within Environment and Public Services which has one of the highest administrative burdens. For this reason, a review of Planning regulations, which coincides with the introduction of the new Planning Law, will be the first Environment and Public Services area to be reviewed.

As a result of the transfer of administration of functions from the Economic Development Committee to the Environment and Public Services Committee, there is a considerable amount of additional legislation that the Committee is now responsible for and it is not yet possible to put a timescale on when the full review and prioritisation process of former Agriculture and Fisheries legislation, will be complete. Suffice it to say it must be completed before December 2005.

I would add that the Committee has already, and in addition, had plans in hand to review Agricultural legislation in the early part of this year using the National Audit Office as external reviewers.

The Committee will work on reviewing all other legislation in close communication with the Policy and Resources Department which is assisting all Committees in this important work.

If the Deputy or any other States members has particular areas they believe should be a target for regulatory reform within Environment and Public Services, the Committee would be grateful to receive suggestions and will work on those as the suggestions are made.”

**Human rights and equal opportunities – question and answer** (Tape No. 995)

Deputy Geoffrey Peter Southern of St. Helier tabled the following written question of Senator Frank Harrisor Walker, President of the Policy and Resources Committee –

“In the context of Strategic Aim 3.8, ‘promotion of human rights and equal opportunities’, contained in the Strategic Plan 2005 to 2010, will the President –

- (a) inform members of the extent to which Jersey is currently compliant with existing international Human Rights obligations?
- (b) inform members whether the Committee has investigated how Jersey’s Human Rights standards compare with neighbouring territories?
- (c) inform members of what provisions, if any, the Committee has put in place to encourage the awareness, education and promotion of Human Rights, and whether these provisions are adequately co-ordinated and resourced?

- (d) outline what measures, if any, the Committee intends to take to improve the provisions referred to in (c) in relation to –
  - (i) the 60th Anniversary of the Liberation of Jersey in 2005; and,
  - (ii) in the 5-year period of the Strategic Plan?
- (e) state what action the Committee will take, if any, to encourage specific legislation to promote for the elimination of all forms of discrimination in 2005? and,
- (f) state what action the Committee will take, if any, to encourage the promotion of legislation for equal opportunities in employment matters?”

The President of the Policy and Resources Committee tabled the following written answer –

- “(a) The scope of Jersey’s existing human rights obligations is considerable, including a large number of international conventions to which the Island is a party through the United Kingdom’s ratification. These extend to issues such as the treatment of prisoners of war and civilians involved in armed conflict, the abolition of slavery, the elimination of racial discrimination, the prohibition or torture and cruel, inhuman and degrading treatment, the prevention of international child abduction, and the protection of children in inter-country adoption, to name just a few, as well as the European Convention on Human Rights.

These conventions are subject to review by the depository organisations and, together with the U.K. and other Crown Dependencies, Jersey is required to report on its compliance. These reporting cycles are noted in the periodic report to the States on International Conventions and Agreements. The detailed recommendations of the review bodies are published and, as far as possible, legislation or other measures are put in place to ensure compliance with those recommendations.

To the extent that Jersey is signed up to these international conventions, every effort is made to ensure the Island is fully compliant with its existing international obligations.

- (b) The focus of these questions, it is assumed, is on the European Convention on Human Rights and Fundamental Freedoms which was ratified by the U.K. on behalf of the Island in 1953. The standards that apply to Jersey are therefore very similar to those that apply to all the neighbouring states that are also parties to the Convention, subject to their adoption of the various Protocols.

The Policy and Resources Committee continues to monitor developments in human rights standards in neighbouring territories.

- (c) With regard to the aims of the strategic plan 2005 – 2010, the Policy and Resources Department is planning to implement a programme of human rights awareness, education and promotion across the whole of the public sector, in conjunction with the Human Rights (Jersey) Law 2000, coming into force. This will include a series of workshops, seminars and awareness-raising activities, co-ordinated through the Human Resources training department. Sufficient dedicated funding has been brought forward to implement this programme.
- (d) The promotion of human rights is an on-going objective for the whole of the public sector, throughout the 5-year strategy and beyond. Whilst Policy and Resources has the lead, it must be the responsibility of every Committee and Department to deliver the results.

Although the European Convention on Human Rights germinated from the seeds of Second World War repression and the terrible abuses of that time, it has now moved on. We should all celebrate Jersey’s 60th anniversary of freedom, but human rights are an issue for today rather than about a particular event in history, no matter how significant it is for Jersey.



- (e) The responsibility to promote legislation to eliminate all forms of discrimination has been assigned by the States to the Legislation Committee. The Policy and Resources Committee has encouraged that Committee to bring forward its proposals, and will continue to do so in 2005.
- (f) The responsibility for legislation to promote equal opportunities in employment rests with the Employment and Social Security Committee. The Policy and Resources Committee would generally welcome any positive developments in this regard.”

**Employment and Social Security benefits and the availability of the results of certain research studies – question and answer – (Tape No. 995)**

Deputy Geoffrey Peter Southern of St. Helier tabled the following written question of Senator Paul Francis Routier, President of the Employment and Social Security Committee –

- “(a) Will the President produce for members the figures I requested in question 2(a) of my written question asked on 7th December 2004, or if not, inform members when he will be able to do so?
- (b) Will the President, with reference to the answer to question 2(b) of my written questions asked on 7th December 2004, indicate the Committee’s method of applying Article 16(1)(c) of the relevant law in Long-term Incapacity Allowance in the case of a recovering drug addict?
- (c) In response to my supplementary oral question of 9th November 2004, the President stated that information from the Nottingham study referred to in R.C.48/2004 would be available at the end of the year.
  - (i) Would the President now distribute this information to members, or if not, inform members when he will do so?
  - (ii) Further in his answer, the President referred to making available the ‘OXERA work done on a computer model’; would the President now also distribute this information to members, or if not, inform members when he will do so?”

The President of the Employment and Social Security Committee tabled the following written answer –

- “(a) Statistics for the fourth quarter ending 31st December 2004, have not yet been collated. They should be available in about 2 weeks’ time. I would also remind the Deputy of the full answer to that question, that is, that one quarter’s statistics is unlikely to give the full picture and that a post implementation audit of the new system will be conducted after one full calendar year of implementation.
- (b) The system would apply in the same way as it does to everyone else. All assessments are based on a medical review which would take account of any relevant health condition and resulting loss of faculty.
- (c)(i)and (ii)

The study has yet to be completed. At the present time, I have been given no definite date for the final report. This report will be published when available.

The model was constructed to help cost income support proposals and became available to the Department just before Christmas. Any interested member is welcome to a demonstration and can contact the Department direct on telephone 280204.”

**Proposed new tax measures – questions and answers (Tape No. 995)**

Deputy Geoffrey Peter Southern of St. Helier tabled the following written questions of Senator Terence Augustine

Le Sueur, President of the Finance and Economics Committee–

“1. Will the President –

- (a) confirm that the tax increases resulting from his ‘20% means 20%’ proposals will take place over the ranges indicated below for the examples given?
- (b) complete the table with the additional tax proposed for each salary point –
  - (i) in absolute terms, and
  - (ii) as a percentage of current tax paid?

**SINGLE No children No mortgage**  
**Start £25,000 to max £42,500**

Salary £	Year	Additional maximum tax Absolute	Additional Tax %
30,000	2006		
	2007		
	2008		
37,500	2006		
	2007		
	2008		
42,500	2006		
	2007		
	2008		
100,000	2006		
	2007		
	2008		

**MARRIED No children No mortgage Wife earning**  
**Start £48,000 to max £85,550**

Salary £	Year	Additional maximum tax Absolute	Additional Tax %
85,550	2006		
	2007		
	2008		

**SINGLE PARENT 1 child £120,000 Mortgage**  
**Start £38,800 to max £94,000**

Salary £	Year	Additional maximum tax Absolute	Additional Tax %
60,000	2006		
	2007		
	2008		
94,000	2006		
	2007		
	2008		

**MARRIED 2 children £120,000 mortgage Wife earning**

**Start £59,500 to max £129,370**

Salary £	Year	Additional maximum tax Absolute	Additional Tax %
80,000	2006		
	2007		
	2008		
100,000	2006		
	2007		
	2008		
129,370	2006		
	2007		
	2008		

**MARRIED 2 children £200,000 mortgage Wife earning  
Start £64,000 to max £146,000**

Salary £	Year	Additional maximum tax Absolute	Additional Tax %
80,000	2006		
	2007		
	2008		
146,000	2006		
	2007		
	2008		

2. Will the President inform members whether any further progress has been made in the Committee's attempts to recover the tax lost from non-Jersey resident shareholders via a 'look-through' mechanism, and if not, will he –
  - (a) explain what additional measures the Committee proposes to put in place to raise the additional £20 million required? and,
  - (b) assure members that the Committee will not propose that the level of a Goods and Services Tax be raised above the 5% currently indicated?"

The President of the Finance and Economics Committee tabled the following written answers –

- “1. (a) I am afraid that I cannot give the Deputy the confirmation he seeks. The tax increases under the 20% means 20% proposals will also occur on incomes above the ranges given by the Deputy in his examples because there is no upper income limit for the tax increases under these proposals. In other words, those with high disposable incomes, currently paying tax at the standard rate of tax of 20%, will all have to pay additional tax and there is no upper income cut-off point when such people will not be paying additional tax under the 20% means 20% proposals. It is also very important to bear in mind that it is only those with the highest incomes in relation to their particular personal and individual circumstances that will pay any additional tax at all under these proposals. Indeed, it might be best to categorise such individuals as those with high net disposable income rather than as having high incomes. For example, it is difficult to argue that a single individual, with no children, no mortgage and no other commitments, earning £45,000 a year, does not have a high net disposable income. It is right and proper, in my view, that such an individual should pay an extra £1,200 a year in additional tax, phased in over 3 years, to help preserve our economic well-being and to safeguard Jersey's high standard of living for future generations. The additional tax that we are seeking to collect from such individuals will also ensure that, even after these tax

increases, they will still be considerably better off living in Jersey than many other places throughout the world, and, as they grow old, will enable them to benefit from a system of benefits and pensions which is also considerably more generous than in other comparable jurisdictions. On the other hand, a married man with 2 children at school and a working wife, a £200,000 mortgage and paying contributions into an occupational pension scheme, could not be considered, on an income of £45,000, to have a high net disposable income, so he will not have to pay any additional tax at all under the 20% means 20% proposals. These proposals have, unfortunately, been completely misunderstood by some people which is why the Committee decided to defer them at the time of last year's Budget; but I do hope that there is now some more understanding of these proposals as there is no wish, whatsoever, on my part or that of the Committee, to argue for and introduce tax proposals which perhaps only I and the Committee understand and which Members of this Assembly do not fully understand. To help Members and others get a fuller understanding of these proposals, the Committee will shortly make available a comprehensive and detailed schedule with many examples of different taxpayer types, detailing the impact, if any, on them under these 20% means 20% proposals. These examples will be available on both the gov.je and the Income Tax Office web-sites.

- (b) I attach tables with the information requested. I should advise the Assembly that the examples which have been chosen by Deputy Southern are highly selective showing increases in tax liability for all of the household types listed. This is not, and I repeat not, a true representation of how all households will be affected by the proposals. I must emphasize that 70% of households in Jersey will not be affected by these proposals. In order to demonstrate this more clearly, I attach, as an annex, further examples of how households may be affected by the proposals, which give a more representative picture. As I have already said, an extensive and comprehensive schedule will shortly be made available on the States website.

SINGLE No children No mortgage

Salary £	Year	£ Additional Tax from 2005	% increase from 2005
30,000	2006	324.60	6.76
	2007	324.60	6.76
	2008	324.60	6.76
37,500	2006	400.00	6.35
	2007	800.00	12.70
	2008	849.60	13.49
42,500	2006	400.00	5.48
	2007	800.00	10.96
	2008	1,199.60	16.43
100,000	2006	400.00	2.13
	2007	800.00	4.26
	2008	1,200.00	6.38

MARRIED No children No mortgage Wife earning

Salary £	Year	£ Additional Tax from 2005	% increase from 2005
85,550	2006	873.33	6.03
	2007	1,746.67	12.05
	2008	2,619.90	18.08

SINGLE PARENT 1child £120,000 Mortgage (interest rate 5.3%)

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Salary £	Year	£ Additional Tax from 2005	% increase from 2005
60,000	2006	1,290.67	15.88
	2007	1,489.40	18.32
	2008	1,489.40	18.32
94,000	2006	1,290.67	8.65
	2007	2,581.33	17.29
	2008	3,869.40	25.92

MARRIED 2 children £120,000 mortgage (interest rate 5.3%) Wife earning

Salary £	Year	£ Additional Tax from 2005	% increase from 2005
80,000	2006	1,436.20	12.93
	2007	1,436.20	12.93
	2008	1,436.20	12.93
100,000	2006	1,630.67	10.79
	2007	2,836.20	18.77
	2008	2,836.20	18.77
129,370	2006	1,630.67	7.77
	2007	3,261.33	15.54
	2008	4,892.00	23.32

MARRIED 2 children £200,000 mortgage (interest rate 5.3%) Wife earning

Salary £	Year	£ Additional Tax from 2005	% increase from 2005
80,000	2006	1,139.40	11.11
	2007	1,139.40	11.11
	2008	1,139.40	11.11
146,000	2006	1,913.33	8.16
	2007	3,826.67	16.31
	2008	5,740.00	24.47

2. I assume that the question in part (a) is referring to some form of withholding tax on non-finance sector, non-resident shareholders rather than a 'look-through' mechanism. The 'look-through' arrangements are only intended to apply to Jersey resident shareholders.

- (a) I can confirm that the Committee has indeed spent considerable effort in investigating whether a selective tax could be implemented which would help restore a Jersey tax liability to Jersey for non-finance sector companies that are owned by non-resident shareholders. These companies will be subject to a zero corporate profit tax rate in Jersey. I wish to emphasise that most, if not all, of these companies will not be paying less tax in future; they will merely be paying the same amount of tax but in another jurisdiction rather than in Jersey. Any additional tax liability imposed on them will usually be an additional cost of doing business in Jersey.

In developing any additional taxes that would apply to these companies, but would not impose additional costs on either Jersey owned companies or financial services companies, and which would meet non-discrimination requirements, any new tax must be applicable to all companies. However, by making payment of this new tax off-settable against any Jersey corporate profits tax liability, and capping it at a maximum of 10% of profits, it would be possible to ensure that no additional tax

liability would fall to Jersey-owned companies, or financial services companies. It is also necessary to ensure that non-trading Jersey companies which form the corporate vehicles for the customers of the international financial services provided in Jersey do not acquire a tax liability. If they did, Jersey would become uncompetitive in much of its main export market.

Broadly speaking three possible options have been identified: a tax based on number of employees, total cost of payroll, or on property occupied (some form of commercial rate). Whilst all 3 options are technically feasible in terms of implementation, they all suffer from undesirable economic consequences for the people of Jersey. To varying degrees they would be likely to lead to job losses, and increases in prices locally.

In addition the technical complexity of all 3 taxes, which would have to be both capped and off settable, so as not to impact adversely on locally owned businesses, would, unfortunately make them relatively easy to avoid.

Not only that, but there is a possibility that the damage to the competitive environment may disadvantage Jersey residents more than any additional tax revenue generated. Furthermore, it is estimated that the maximum level of tax revenue that could be raised from any one of the 3 options under consideration is in the order of £5 million to £6 million per annum.

I should advise the Assembly that the figure of some £20 million to £25 million previously quoted is misleading. Following further extensive research, the Committee is now advised that the reduction in tax revenues from non-finance sector, non-resident companies, as a result of the move to 0/10% is in the order of £10 million to £12 million, and not £20 million to £25 million. The reason for the revision to this estimate is that the original estimate included around £10 million to £12 million of tax revenues from a small number of specialist non-resident, non-finance companies, which will be leaving the Island before 2008 for reasons unconnected to the move to 0/10%. In the initial calculations this tax revenue was incorrectly included in the amount that would be lost as a result of 0/10%. In reality, whilst it will still be lost, it would be lost irrespective of the change.

Final decisions on which of the three options, if indeed any, are in the best interests of the Island have yet to be made. However, the Committee will advise the Assembly of its views when it lodges its fiscal strategy proposals.

- (b) As for the possible introduction of a Goods and Services Tax (GST), I can assure Members that the Committee is determined that the rate should be as low as possible, even if possible below a rate of 5%.

The Committee is also determined that not only should GST be introduced at a low rate, but also that this rate should be guaranteed not to increase for a number of years.

However, I would like to take this opportunity to make it clear that the reason we are making these proposals is because, like it or not, the Island must balance its books; we must, as an Island, pay for the services we receive from the States. We are moving to 0/10% because this *minimises* the loss of tax from corporate profits, and maintains the economic foundation of the Island, i.e. the financial services sector. Without the financial services sector the loss of tax revenue would be much greater, and the economic activity on the Island to support our public services would be considerably smaller, implying much higher tax rates if States services were to be maintained.

The question is, therefore, not one of introducing GST because it is, in itself, a good thing. It is because to maintain government spending on such things as health, education, pensions and the like, more tax revenue is required because it is no longer possible, in this internationally competitive world, to get the financial services sector to pay as much as it did. It will still pay a lot, and the tax paid by Jersey residents will still be low compared to the benefits they receive. But if we try to maintain the current levels of tax they will simply relocate, taking their jobs and their corporate tax with them, which is just what Guernsey and the Isle of Man would like.

The real issue is whether GST is a better, or worse, way of raising the additional revenue compared to the other alternatives such as payroll taxes, income taxes, or other taxes paid by Jersey residents. The question is not really whether 5% is the right rate, but what is the rate, and coverage, required to generate the income needed to pay for States' services? I would prefer lower taxes to higher taxes, but I would also prefer paying more taxes to ensure that the States can continue to function, to continue to provide education, health and other services to our people and, such things as, continued assistance to those on low incomes. To pretend that these services can, somehow, be provided for nothing, is tantamount to putting one's head in the sand.

Description of Household	Household income	Total tax due for 2005	2005 Effective rate	Tax paid after full implementation of 20% means 20% (2008)	Effective rate after full implementation of 20% means 20% (2008)	2008 Increase in tax paid from 2005	% Increase from 2005	2008 Increase in effective rate from 2005
Single, no children, no mortgage	£25,500	£3,900	15.3%	£3,910	15.3%	£10	0.2%	0.0%
Single, no children, no mortgage	£30,000	£4,800	16.0%	£5,125	17.1%	£325	6.8%	1.1%
Single, no children, no mortgage	£37,500	£6,300	16.8%	£7,150	19.1%	£850	13.5%	2.3%
Single, no children, no mortgage	£42,500	£7,300	17.2%	£8,500	20.0%	£1,200	16.4%	2.8%
Single, no children, no mortgage	£100,000	£18,800	18.8%	£20,000	20.0%	£1,200	6.4%	1.2%
Single, 1 child at school, mortgage £120,000	£40,000	£4,128	10.3%	£4,217	10.5%	£89	2.2%	0.2%
Single, 1 child at school, mortgage £120,000	£50,000	£6,128	12.3%	£6,917	13.8%	£789	12.9%	1.6%
Single, 1 child at school, mortgage £120,000	£60,000	£8,128	13.5%	£9,617	16.0%	£1,489	18.3%	2.5%
Single, 1 child at school, mortgage £120,000	£94,000	£14,928	15.9%	£18,797	20.0%	£3,869	25.9%	4.1%
Married, wife earning, no children, no mortgage	£50,000	£7,380	14.8%	£7,511	15.0%	£131	1.8%	0.3%
Married, wife earning, no children, no mortgage	£60,000	£9,380	15.6%	£10,211	17.0%	£831	8.9%	1.4%
Married, wife earning, no	£85,550	£14,490	16.9%	£17,110	20.0%	£2,620	18.1%	3.1%

<b>children, no mortgage</b>								
<b>Married, wife earning, 2 children, mortgage £120,000</b>	£60,000	£7,108	11.8%	£7,144	11.9%	£36	0.5%	0.1%
<b>Married, wife earning, 2 children, mortgage £120,000</b>	£70,000	£9,108	13.0%	£9,844	14.1%	£736	8.1%	1.1%
<b>Married, wife earning, 2 children, mortgage £120,000</b>	£80,000	£11,108	13.9%	£12,544	15.7%	£1,436	12.9%	1.8%
<b>Married, wife earning, 2 children, mortgage £120,000</b>	£100,000	£15,108	15.1%	£17,944	17.9%	£2,836	18.8%	2.8%
<b>Married, wife earning, 2 children, mortgage £120,000</b>	£129,370	£20,982	16.2%	£25,874	20.0%	£4,892	23.3%	3.8%
<b>Married, wife earning, 2 children, mortgage £200,000</b>	£70,000	£8,260	11.8%	£8,699	12.4%	£439	5.3%	0.6%
<b>Married, wife earning, 2 children, mortgage £200,000</b>	£80,000	£10,260	12.8%	£11,399	14.2%	£1,139	11.1%	1.4%
<b>Married, wife earning, 2 children, mortgage £200,000</b>	£90,000	£12,260	13.6%	£14,099	15.7%	£1,839	15.0%	2.0%
<b>Married, wife earning, 2 children, mortgage £200,000</b>	£100,000	£14,260	14.3%	£16,799	16.8%	£2,539	17.8%	2.5%
<b>Married, wife earning, 2 children, mortgage £200,000</b>	£110,000	£16,260	14.8%	£19,499	17.7%	£3,239	19.9%	2.9%
<b>Married, wife earning, 2 children, mortgage</b>	£146,000	£23,460	16.1%	£29,200	20.0%	£5,740	24.5%	3.9%



Notes: Where examples for single parents are given the calculations assume additional personal allowance is due. Where wife working this assumes income over £4,500. Where child allowance given this assumes any income in the child's own right does not exceed £2,500. Allowable Mortgage interest calculated at 5.3%. The effective rate is the percent-age of your income you pay in tax.

## Oral questions

### 1. Deputy A. Breckon of St. Saviour to the Chairman of one of the Shadow Scrutiny Committees:

“Will the Chairman explain to the Assembly why the Panel’s Interim report into the Environment and Public Services Committee’s ‘Draft Waste Strategy’ is not yet available, as he indicated in his statement to members in December 2004 that it was expected to be presented to the States by mid January 2005?”

### Senator E.P. Vibert (Chairman of one of the Shadow Scrutiny Committees):

“The Scrutiny Panel which I Chair has been scrutinising the proposed Waste Strategy since August of last year. I am sure the House will appreciate the magnitude of this task. Various Committees have been working on this project since 1995, and it involves not only a technical decision regarding replacing the incinerator, but important policy decisions regarding waste management, costs, funding and forward planning. It could be an £85 million project. The Panel’s work has been considerably hampered by the fact that little work has been done by the various Committees on alternative technologies. The Panel has had to do this work, which has meant travelling to France, the United Kingdom and Norway, and there is still much to be done in this area. A further problem was encountered when the Committee forwarded to the Panel its Waste Strategy document in August of last year. This had still not been approved by the Waste Management Steering Group and, until it was, we were unable to deal with it. It was not until mid-September that the Panel received the approved document. The President of the Committee has made it clear that he intends to bring a proposal to the States for a decision on this in March. The Panel has always regarded this as an unrealistic target, but in order to ensure that the scrutiny process is not blamed for any delay, we said that we would do everything to produce an interim report by mid-January. The Panel has worked throughout the Christmas period and, despite illness in the Scrutiny Office and the Christmas Holidays, our programmed interim report will be presented to the House on February 1st. I would -----.”

### The Bailiff:

“You are time expired now, Senator, sorry. You are time expired. Deputy Breckon?”

### 1(a) Deputy A. Breckon:

“I wonder if the Chairman is aware of the general public concern that this delay is causing because of the uncertainty of the cost involved and what the future is going to be and how people are going to have to pay for some of these issues, and I wonder if he could give an undertaking to deliver this report without undue delay, because it is holding up the whole process?”

### Senator E.P. Vibert:

“Yes, Sir, I can certainly. The Panel certainly appreciates the need for this. However, the Scrutiny process has to take its time and we are not prepared to rush. This is a very important matter that needs to be thoroughly investigated. We are only a week later than the promise that we gave, and I believe that is perfectly acceptable to this House and I would be surprised if anyone could feel that we have delayed the process.”

### 1(b) Deputy R.G. Le Hérissier

“Would the Chair confirm whether or not the absence or the prevention of certain key material witnesses to give evidence is likely to jeopardise the quality or the depth of the final report?”

### Senator E.P. Vibert:

“No. I do not think it will, Sir. We have done our investigations and we are quite happy with the Interim Report.”

**1(c) Senator P.F.C. Ozouf:**

“Would the Chairman confirm whether he is aware that Environment and Public Services has put at the Scrutiny Panel’s disposal one officer almost full-time for the last 3 months to respond to the endless questions – sometimes repetitive questions – that the Scrutiny Panel has asked? Would he further justify his statement in his answer that no alternative technologies have been reviewed?”

**Senator E.P. Vibert:**

“I made it very clear that, in the view of the Panel, not enough research has been done into alternative technologies. What was the first part of the question? I am sorry.”

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

“Would the Senator confirm that he is aware that there has been a full-time officer at Environment and Public Services available just to answer the Scrutiny Panel’s questions for virtually 3 months?”

**Senator E.P. Vibert:**

“Yes, I do not know how it has been done, Sir, but I think it indicates the fact that this is a very thorough Scrutiny Committee and we are asking all the questions that need to be asked. If it upsets the Committee, I am sorry, that is the Scrutiny process and this chamber has got to get used to it.”

**1(d) Deputy P.N. Troy:**

“Previously the President of Environment and Public Services has stated that it is vitally important that we make a decision on the new incinerator in March or February. Does the Chairman of the Scrutiny Panel agree with that, Sir?”

**Senator E.P. Vibert:**

“Well, I do not want to reveal what is in the report. However, you can rest assured that we do believe that the timescale is not sensible.”

**1(e) Senator P.F.C. Ozouf:**

“Would the Chairman acknowledge that this delay, a two-week delay, a further two-week delay, on the Interim Report, which the President actually suggested was made, will have an impact on bringing the Waste Strategy to the States? Does he understand that the Committee does not wish to finalise its final strategy before it sees the Scrutiny Panel report; otherwise, what is the point of Scrutiny?”

**Senator E.P. Vibert:**

“The Chairman of the Scrutiny Panel and the Panel fully understand that situation, Sir.”

**1(f) Senator S. Syvret:**

“Would the Chairman agree with me that, given that the existing incinerator would have been shut down at least 12 years ago in any other European E.U. Member State, his Panel cannot be blamed for a few months delay when in reality what we are dealing with here is the successive failure over many, many years of successive Public Services Committees?”

**Senator E.P. Vibert:**

“I do not think that I should comment on that because some of that will be in the report?”

**2. Senator P.V.F. Le Claire to the President of the Environment and Public Services Committee:**

“Will the President advise the Assembly what steps, if any, the Committee took to persuade the British Geological Survey (BGS) to send the head of the BGS Team working in Jersey from 1989 to Jersey to appear before the Scrutiny Panel, bearing in mind that BGS received over £250,000 to act as consultants to the Committee and that this individual carried out most of the research and wrote all the BGS reports on the Island’s water resources?”

**Senator P.F.C. Ozouf (President of the Environment and Public Services Committee):**

“As members will see, the Environment and Public Services Committee has been spending quite a lot of time on Scrutiny recently, but in answering this question I need to provide some context. The Scrutiny

Panel announced its intention to review the Draft Water Resources Law on 15th April 2004. On 3rd June, my Committee notified the Panel of the list of witnesses we would be providing. This included the Head of Hydrology at BGS. On 10th June, the Panel issued an invitation for Environment and Public Services' witnesses to attend on 19th July. This duly happened, with the Head of BGS Hydrology in attendance. During August 2004, the Panel approached the Committee to procure the attendance of a BGS officer who had acted as consultant in Jersey on earlier studies. The Panel were advised that, as the Committee had completed giving its submissions to the Panel, they should approach this person directly with a formal invitation. BGS were advised by the Committee's officer that they would have no problem with the officer's attendance at the Panel, but this would be voluntary and they should make their own decision. On 8th September, an invitation was issued. On 17th September, BGS wrote to the Panel acceding to this request, with the proviso that for continuity the officer would be accompanied by the Head of Hydrology. This offer was refused and the request to attend was withdrawn."

**2(a) Senator E.P. Vibert:**

"Would the President not agree that the Committee had a duty to ensure that all of the evidence that was available would be put forward to the Scrutiny Panel and, in view of the fact that this gentleman was a vital witness, that they should have taken steps to ensure that he did in fact appear? Whilst it is true that an officer came instead of him, his evidence that was given to the Panel was shown to be totally unsatisfactory and it was necessary for this person to come. I would like to ask the President why he didn't regard it as his duty to ensure that that happened?"

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

"At no point during the period May to July 2004 did the Panel express any concern about the representative of BGS who the Committee had put forward to assist in the presentation of their evidence. Nor had they intimated that they would require attendance of the second officer. Frankly, Sir, having read the report, whatever evidence that was given to the Committee frankly seems to have been completely ignored, because how a Scrutiny Panel could come to the conclusion that no water law is required for Jersey, after having received the evidence which I have read on the Scrutiny Panel website, is frankly astonishing."

**2(b) Senator P.V.F. Le Claire:**

"I am a little confused. Did the President in his original answer tell us, the Assembly, that the offer for the consultant who refused to come was made to the Scrutiny Panel in conjunction with the other individual and that offer was refused? Was it refused by the Scrutiny Panel or was it refused by the company? I am a little confused as to who refused to come or who refused to accept representation."

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

"The offer – as I am advised – that was made was refused by the BGS and, therefore, the offer to attend was withdrawn."

**2(c) Senator P.V.F. Le Claire:**

"I must say that that was very much a different type of answer than the first answer we got this morning from the Senator in relation to this question, which alluded to the fact that the offer was made and that offer was refused. It appeared from the answer that the Senator gave to my original question that the Scrutiny Panel had refused the attendance of the individual. So what the President is actually saying is that the individual who was requested to attend, who had received over £250,000 acting as a consultant to the Committee, refused to attend to give evidence. Is this satisfactory in the President's mind?"

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

"The key issue is that BGS were asked to attend. They are a professional organisation, and at no point did the Panel have any difficulty until – and I repeat – from May to July did the Panel express any concern about the representatives from BGS that had been made. Now, much has been said in the media and much has been said outside of the Scrutiny Panel report of the standing of BGS and, frankly, I am exasperated at the comments that have been made by members of the Scrutiny Panel and the Chairman about the BGS work. It is frankly extremely frustrating as the Committee President responsible for this important work."

**2(d) Senator E.P. Vibert:**

“Would the President actually confirm to the House that an offer was made for this individual to come to Jersey, but he had to be accompanied by the other officer who had already given evidence that was considered unsatisfactory and that we had offered to pay the fare for him to come and his fees for the day and BGS insisted that both gentlemen came and had their fees paid, and we considered that a complete waste of the taxpayers’ money?”

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

“I repeat again, Sir, that BGS is an organisation. At no point did the Panel express concerns about any individuals. An individual from BGS gave evidence to the Scrutiny Panel. The Scrutiny Panel didn’t like that evidence and, frankly, as usual with the Scrutiny Panel, witch hunts on individuals are being pursued, which is quite frankly unacceptable.”

**Senator E.P. Vibert:**

“Can I ask the President to withdraw that? That is a disgraceful remark.”

**Deputy of St. John:**

“I have to ask the President to withdraw his last comments. I sit on the Scrutiny Panels and the last thing I do is have a witch hunt on any panel I sit on?”

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

“I am happy to withdraw the remark as it regards the good Deputy of St. John, but, quite frankly, it is getting tiresome. My Committee has endured 3 Scrutiny Panel reviews from the Senator Vibert committee and it seems as though this isn’t critical friend, this is as much about attacks on individuals and individuals’ reputations. Frankly, if this is the way Scrutiny is going, then it is a sad day for this Assembly.”

**2(e) Deputy G.P. Southern:**

“The President appears to be rejecting the conclusions of the Scrutiny Panel on water despite the evidence produced to that Scrutiny Panel. Is that the official position of his Committee?”

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

“The Committee will be giving a full evaluation of the Scrutiny Panel’s report on water, but it has to be said that, from a personal point of view, any Scrutiny Panel report which suggests that there is not a requirement for a water law to protect precious water resources in Jersey is frankly an extraordinary conclusion to have. I cannot prejudge what my Committee will do. I am making a personal view as President. I am astonished that the Scrutiny Panel can say that a water resources law is not required, but, of course, a detailed response to the Scrutiny Panel’s work will be forthcoming in the next few weeks.”

**3. Senator E.P. Vibert to the President of the Education, Sport and Culture Committee:**

“Would the President inform members of the full inventory of the estate of the late William Richmond-Pickering, which the States, on 20th July 2004, agreed should be used by the Committee to establish a travelling scholarship, together with subsequent valuations and details of who purchased the items, the amounts obtained and the final total sum of the bequest?”

**Senator M.E. Vibert (President of the Education, Sport and Culture Committee):**

“*[aside]* My Committee has been advised by the Solicitor General in this matter, and I would ask to be allowed to answer this question once the matter is concluded, which I expect to be very shortly. I am advised that discussing this issue now could be detrimental to the public interest.”

**Senator E.P. Vibert:**

“I am happy with that answer.”

**4. The Deputy of St. John to the President of the Policy and Resources Committee:**

“Following a recent advertisement for a Director of Human Resources at a salary of £100,000, would the President inform members of the total number of staff employed in the Human Resources Department, the total number of human resources staff, including any support staff, employed across all other States’ committees and departments, including trading committees, and the total cost of salaries and employer’s

social security and pension contributions for all those various staff?"

**Senator F.H. Walker (President of the Policy and Resources Committee):**

"I can advise the House that the post of Director of Human Resources is being advertised following a recent reorganisation within the Policy and Resources Department, the Department which is responsible for human resources. The current Head of Human Resources is transferring to the vacant post of Deputy Chief Executive in the Policy and Resources Department, and in this capacity will assume responsibility for industrial relations within the Public Service. He will be replaced by the new Director of Human Resources. However, the previous post of Director of Employee Relations has recently become vacant and will not be filled, providing an overall net saving of one senior post at £75,000 per year. The new Human Resources Director will play a major part in the States-wide change programme which is currently underway, particularly in respect of changing employee culture. He or she will also deliver a reorganisation of the whole HR function across the States, which will result in a unified HR function for the first time, thereby enhancing performance still further. There will be significant savings, the current target being at least 20% over the next 2 years. Finally, on the numbers, the total number of staff employed in the States Human Resources Department is 21, which is 18.76 full-time employees. The total staff employed in the HR function, including support staff in other departments, is 50 (42.13 FTE), making a total compliment of 71 (60.89 FTE). The total salary bill for all HR staff employed by the States, including pension and social security contributions, is £2,725,945."

**4(a) Deputy of St. John:**

"Given the some 70-odd staff within the entire Human Resources Departments of the States, will the President confirm that some years ago Policy and Resources had agreed that a Human Resources Department would be set up with a view to taking on the human resources of all States departments and, therefore, why do we still have something in the region of 50 staff and support staff across all States departments? Will he give a reason why this has not all been rationalised into the one department and done away with all the remainder of the staffing?"

**Senator F.H. Walker :**

"The Policy and Resources Department only assumed responsibility for the HR function in fact at the end of the year before last. It was previously, of course, the responsibility of the then no longer existent Establishment Committee. Therefore, I cannot directly answer the Deputy's questions in the terms in which it is put. But what I can do is refer him again to my answer, to say that the whole point, or one of the whole points, of the appointment of a Director of Human Resources is to achieve a unified HR function across the States, and that is what the Policy and Resources Department and Committee is determined to do."

**4(b) Deputy of St. Martin:**

"I accept that the President is justifying why we need the rôle, but could he also justify why he has to be paid, or he or she has to be paid, £100,000? That is one of the real concerns that the general public are expressing?"

**Senator F.H. Walker:**

"Yes, Sir. The general public wants efficiency in the States and it wants cost savings across the States. If we are to achieve that to the best possible extent, we need a good person to head up that development. We need a good person to achieve the savings. We need a good person to change the culture of the States. If you are going to get a good person, you have to pay the market salaries that go with the responsibility. If we were to do anything else, we would not achieve the recruitment of a person of the calibre that we need and we would almost certainly fail in meeting the objectives and the wishes of the public."

**4(c) Deputy of St. Martin:**

"Can I come back on that and just ask whether someone with that general responsibility and the number of people involved would be paid that sort of money outside of the Island?"

**Senator F.H. Walker:**

"They would be paid that sort of money outside of the Island and they would be paid that sort of money within the private sector in Jersey as well."

**4(d) Deputy of St. John:**

“Will the President tell us, or tell the members, what the costs of using a consultant to recruit the Human Resources Officer are going to be to his department and would he confirm that the figure of £50,000 is approximately the figure that is being paid?”

**Senator F.H. Walker:**

“I can’t confirm that at this moment, but I will find out. Can I make the point though that various departments of the States have used recruitment consultants to make appointments of senior executives with very great success. This is not something you do without expertise and without a great deal of scanning of all the possible candidates. As I have said, I will enquire what the exact amount of money is, but I have no doubt, as has been the case in the recent past with the appointment of other senior executives, that it will be money well spent and in the public interest, which will result in a considerable saving – the savings I have already referred to in my original answer – to the public.”

**4(e) Connétable of St. Mary:**

“Would the President not agree that it seems rather strange that he said that there would be significant savings of 20% so, therefore, he realises that it is well over-staffed at the present time then? Just setting a figure of 20% rather gives a false impression to the person who is coming down. Would it not be preferable to aim for at least 50% because, if it has gone up, as one would suspect – 50% over the last few years – just aiming for a 20% reduction is really making a kind of a false line? Would he not accept that it should be more than that because there is no proof that it hasn’t gone up 50% in the meantime?”

**Senator F.H. Walker:**

“There is no proof that it is probably not 80% over-staffed, but we have got to be realistic here. We need – the States need – if we are going to achieve all our objectives in terms of efficiency and cost savings, we need a top person and we need to make savings. But we need to be realistic. We cannot not have a viable HR function, and my answer actually said a saving of at least 20% over the next 2 years. My Committee believes that is realistic, a stiff target but achievable. I think the House should be giving its full support in what we are doing here in terms of creating savings and greater efficiency.”

**4(f) Deputy of St. John:**

“Could I make a request of the President that we have his response in writing? Also, at the same time I would like to congratulate him. *[aside]*”

**5. Deputy T.J. Le Main to the President of the Environment and Public Services Committee:**

“I would like to ask the President of the Environment and Public Services Committee – (a) when will the La Collette Phase II reclamation site be full and what plans are there to replace it? (b) what are the income and expenditure costs to date of operating the site and the estimated yearly figures until completion? and (c) are discussions taking place regarding the future disposal of inert and building material, fly ash disposal, etc. when La Collette is completed and, if so, are these being treated with urgency?”

**Senator P.F.C. Ozouf (President of the Environment and Public Services Committee):**

“The available capacity at La Collette Phase II reclamation site is sufficient for at least 10 years with the current waste arising. A future site had been identified by the previous Committee at La Gigoulande Quarry which would be available once the current extraction is finished, estimated around 2008, but the Committee is ... I am personally aware that the Health and Social Services President has a serious difficulty with the concept of an in-Island landfill and certainly an alternative after 10 years would have to be found probably as another reclamation site if La Gigoulande could not be used.

- (b) The site has, from 1995 to date, incurred revenue expenditure of £3.75 million and generated £10.7 million in tipping income. Capital servicing costs on the initial capital expenditure, totalling £28 million in 1995, has also been incurred and, when these are also taken into account, the site has cost nearly £9 million to date. It is estimated that revenue expenditure will total £23 million and income £32 million by the time the scheme is completed. Again, taking capital costs into account there will be an estimated net deficit of £7 million.

- (c) This part of the question needs to be considered in 2 parts. Firstly, regarding inert waste, rubble and building material, the Committee is proposing within its Draft Waste Strategy to enhance aggregate recycling, and the existing contract is due for renewal later this year. The aim will be to recover more material than previously. Regarding fly ash, any replacement for the energy from waste plant at Bellozanne must consider methods of ash disposal and, whatever technology is implemented, the critical criteria will be to consider the residue and how to treat it. Yes, it is urgent.”

**The Bailiff:**

“You are time expired now.”

**5(a) Deputy T.J. Le Main:**

“Could I ask the President in future plans, when he talks about La Gigoulande, would it not be right to say that any land infill certainly couldn’t take fly ash and toxic materials and has that been given consideration in what the Committee or Department are thinking?”

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

“Certainly the fly ash ... sorry, starting first with the bottom ash, there is approximately about 20,000 tonnes, about 20% of the waste that goes into an energy from waste plant ends up as being bottom ash, and that is something which needs to be disposed of, and that is currently disposed of in the reclamation site. The Committee is looking at options for actually recycling some of that into road materials, etc., and that is going to be an important part of the Committee’s Waste Strategy which will be published in the forthcoming weeks. There is no alternative but to bury the additional fly ash, but what the Committee is doing, and my recent visit to Switzerland showed that there is new technology available to actually reduce the quantity of fly ash with various different types of incineration. Certainly that is something which is commanding the attention of the Committee and there will be a lot more in the Waste Strategy in the next few weeks on that matter too.”

**5(b) Deputy of St. John:**

“With modern technology, and you mention La Gigoulande Quarry, there is still the possibility of leaching. Given that La Gigoulande Quarry is within the water catchment area, does this not raise concerns as we move into 10 years down the road– 2010/2015 – that we will still not be in a position to bund that particular area as a refuse dump?”

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

“I cannot comment because I haven’t reviewed any of the documentation personally. I understand that there is now some concern about the use of La Gigoulande Quarry for any landfill, and certainly a conversation that the Waste Management Steering Group had with the Health and Social Services President indicated that he had serious problems with that. Clearly that is a problem for us. Sir, what we do need to be doing is we do need to be looking forward. We need to be reducing, wherever possible, the need for landfill. That means employing the best technology to reduce the amount of ash, doing more recycling and doing all the things that I think the Scrutiny Panel actually want us to do, which are going to be seen in the Waste Strategy, and then also, probably not this year but in the next 2 or 3 years, looking forward to see where we would go after La Collette II is finished. Is it going to be La Gigoulande? If it is not, then probably we are looking at another reclamation site, but that is not an issue which I would suggest is going to be a matter for my Committee during the duration of its life. That will be something probably for next year.”

**6. Deputy G.P. Southern to the President of the Finance and Economics Committee:**

“With regard to the proposed fiscal strategy, (a) what is the Committee’s estimate of the effect of the 4.9% *de minimis* level contained in the look-through powers of the Comptroller of Income Tax on the probable tax take from the shareholdings of Jersey residents? (b) What are the Comptroller’s assumptions and calculations in stating that the introduction of a capital gains tax would only raise around £5 million in additional taxation?”

**Senator T.A. Le Sueur (President of the Finance and Economics Committee):**

“No *de minimis* level has yet been set. The fiscal strategy envisaged a level between 2% and 5%, but, even

at the higher level, it is estimated there will be no appreciable effect on the probable tax take from Jersey residents. This is primarily because all the dividend income received by Jersey residents from small holdings in the United Kingdom or foreign listed companies will still be subject to Jersey tax. A holding of 5% in such a company will actually be extraordinarily high. My Committee proposed such a limit with the principal aim of easing the administrative and compliance burden that would be imposed on the Income Tax Office by trying to impute a charge to Jersey tax on Jersey residents who have very small holdings in listed and quoted U.K. or foreign companies such as BP, Shell or British Airways. It would not make legal or administrative sense to try to impute the profits of such companies to Jersey residents as there is no question of a Jersey resident with such a small holding having the power to enjoy the income of such a company or to control its dividend policy. The dividends such as a Jersey resident receives from a small holding can and will be charged properly to Jersey tax. Finally, I want to make it clear that it will be this Assembly and not the Comptroller of Income Tax that decides whether there should be a *de minimis* limit and, if so, what that should be.

In answer to (b), the Comptroller's assumptions and calculations were contained in his paper entitled *Capital Gains Tax*, dated 26th March 2004, prepared for and made available to a Shadow Scrutiny Panel last year. They are based on applying a U.K. style of capital gains tax -----"

**The Bailiff:**

"President, you are time expired. Will you please in 10 seconds wind-up?"

**Senator T.A. Le Sueur:**

"The U.K. is about 1.5% of the yield from income tax. Applying that to Jersey's tax yield of £400 million and allowing for the costs of collection, the yield is of the order of £5 million, probably less."

**6(a) Senator S. Syvret:**

"In the answer to the first question, the President referred specifically to the 'power to enjoy'. Will he provide for the Assembly a clear legal definition of precisely what is meant by the 'power to enjoy'?"

**Senator T.A. Le Sueur:**

"Trying to give a clear legal definition of anything is quite difficult, but power to enjoy the income means really that if one has a very small holding in a company's shares, then the policy for distributing those profits lies in the hands of the directors and ultimately in the shareholders of the company. If the choice is not to declare official dividends, then a small shareholder can do nothing about that. Therefore, whatever the income the company may have, the small shareholder does not have the power to have his particular share of that total income. He is only entitled to the share of the income distributed to him by way of a dividend."

**6(b) Deputy G.P. Southern:**

"The President refers to the United Kingdom capital gains tax. Can he arrange for the Comptroller of Income Tax to circulate members with the terms of capital gains used in the U.K.?"

**Senator T.A. Le Sueur:**

"I can certainly circulate the paper which the Comptroller of Income Tax produced to the Shadow Scrutiny Panel. I am not quite sure what the Deputy means by 'the terms of capital gains tax'. To circulate that to the members would take a considerable amount of paper. Could the Deputy please clarify for me what he means by 'the terms'?"

**Deputy G.P. Southern:**

"Yes, more or less an outline of what rates applied to what capital gains is what I am after."

**Senator T.A. Le Sueur:**

"I can certainly do my best to make that information available, Sir, but I am not quite sure of how much benefit it will actually be."

**6(c) Senator S. Syvret:**

"Given that the circumstances in which capital gains tax may be applied in Jersey differ very significantly



from those in the United Kingdom, will the President not acknowledge that there could be scope for the application of a gain tax on capital in a variety of different ways in Jersey to that which is used in the United Kingdom, because of the differing circumstances of the Island, particularly the well documented fact that capital gain is the principal mechanism of avoiding income tax in Jersey?"

**Senator T.A. Le Sueur:**

"In calculating a yield one has to make some assumptions and some comparisons and I accept that Jersey may not be an absolute microcosm of the United Kingdom, but I don't believe it is that dissimilar that the yield is going to be significantly different. The whole purpose and ethos of a capital gains tax is something which has already been debated and rejected and, although I accept that it could be applied in different ways in the Island, the fact remains that the yield from such a tax would still be extremely low in relation to other sources of revenue."

**7. Senator E.P. Vibert to the President of the Education, Sport and Culture Committee:**

"Would the President agree that the answer he gave on 7th December 2004, concerning the employment of the same consultants to carry out both research on the commercial potential of Fort Regent and the Springfield Project, was misleading as the minutes of the Sport, Leisure and Recreation Committee dated 17th August 1995 confirm that the Committee was, in fact, extremely concerned at the consultants' performance in relation to the contract?"

**Senator M.E. Vibert (President of the Education, Sport and Culture Committee):**

"Of course, I apologise unreservedly if anyone was inadvertently misled when I answered the question put to me on December 7th 2004 regarding the engagement of consultants to lead work on a business case for a possible conference and events centre at Fort Regent. What Senator Edward Vibert asked in a supplementary question that day, to which I presume his current question relates, was – and I quote from the transcript – 'Is the President aware, or was he made aware, that the same company was responsible for a 100% overspend on the stadium at Springfield and subsequently their contract was terminated by that same Committee?' My answer was – and I again quote from the transcript – 'No, Sir, I was not aware of that, but I presume that can be checked by the Senator asking the Senator currently sitting next to him that day who was President of Sport, Leisure and Recreation at that time.' The minutes that I have been able to access from 6 years ago at short notice say the Committee were very happy with the Springfield Project and the Chief Quantity Surveyor said it finished on budget. That was Budget Day, Sir, and Senator Le Maistre who was previous President of Sport, Leisure and Recreation, was sitting next to Senator Edward Vibert that day. Sir, I stand by what I said, and I do not believe what I said was misleading. I stressed in my answer that I was relying on minutes that I had been able to access at short notice. The initial employment of the consultant concerned on the Springfield Project by the then Sport, Leisure and Recreation Committee goes back some 10 years, before my time as a States member, and when research was originally carried out to answer the original question, the most recent minutes relating to the completion of the project were referred to. Those minutes ----

**The Bailiff:**

"Senator, I am sorry, but you are time expired."

**Senator M.E. Vibert:**

"The information I had to hand when answering the original question on this issue was from the last recorded minutes of the project, which were complimentary. I repeat I had no knowledge then of the concerns referred to over the performance of the consultant. Subsequent research has revealed earlier minutes did report concern at one stage, and I repeat my apology if anyone was inadvertently misled by my answer at that time."

**7(a) Senator E.P. Vibert:**

"Could the President confirm that it is a fact that Mr. Mann prepared estimates for the Springfield Stadium Project which were wrong by £675,000? Would the President confirm that the Committee minutes of 17th August 1995 records the following: 'The Committee was most displeased to receive this information and extremely concerned at the way in which the project had been dealt with by Mr. Mann----'."

**The Bailiff:**

“Senator, please do not use names if it is not essential.”

**Senator E.P. Vibert:**

“I am sorry, but they are in the minutes, Sir.”

**The Bailiff:**

“Senator, there is a serious point. Members should not take advantage of the privilege afforded by this Assembly to bring the names of individuals into the public domain when those individuals have no right and no opportunity to defend themselves. Now, that is why I asked you not to name the individual concerned, and I should be grateful if you would not do so.”

**Senator E.P. Vibert:**

“I hope that doesn’t count for my time, Sir. ‘The Committee considered the contract in view of the situation that had arisen, which gave it little choice but to approve the revised plans as presented. If this course of action was taken, it would be necessary to replace the man at increased costs and potential interruption to the project.’ Sir, can I ask the President, in view of this, could the President explain how the man came to be selected to carry out another detailed study of the commercial opportunities at Fort Regent?”

**Senator M.E. Vibert:**

“Yes, I confirm the minutes that Senator Vibert read out. The estimates were wrong. In the following minutes – there are lots of minutes – there was an apology given for the lack of control over costings that had arisen by the company concerned and by the people concerned at the next Committee meeting of the then Sports, Leisure and Recreation Committee on the 14th September. In fact, if members want, these are extracts from minutes covering some 9 years, I believe, that relate to the Springfield Project. The Springfield Project, as I said in my previous answer, was completed in budget and in fact congratulations were given to the completion of the project. How one of the people involved in the original consultancy for Springfield was some 9 years later selected for doing another consultancy work was that we advertised as per States’ guidelines for expressions of interest. There was no debarment under States’ guidelines of anyone who was suitably qualified from expressing interest. Interest was expressed from a number of very well-respected firms, including the firm that was selected after a rigorous process of selection had taken place. That was how the firm, the current firm, were selected to do the work.”

**8. Deputy J.A. Hilton to the President of the Environment and Public Services Committee:**

“Will the Committee consider the following compromise solution to its proposed Broad Street plans –

- (a) remove parking for motorcycles from the area and relocate it in other appropriate places;
- (b) remove the phone boxes to adjacent areas; and (c) liaise with the taxi-drivers with a view to reducing the number of waiting taxis to a mutually acceptable figure in the Broad Street rank?”

**Senator P.F.C. Ozouf (President of the Environment and Public Services Committee):**

“The Committee has already made arrangements to relocate motorcycle parking from Broad Street to new locations on Hope Street and the Esplanade. The potential for the provision of further motorcycle parking on the Esplanade adjacent to the Esplanade car park is presently the subject of a discussion with the Waterfront Enterprise Board who administer the land. Liaison with the group representing the interests of motorcyclists in the Island, *On Your Bike 2000*, has been carried out in respect of all the exchanges.

- (b) The Committee does not propose to remove the existing public payphones from Broad Street. Despite the growth in ownership and the use of mobile phones, these facilities remain well used. There will be two telephones remaining.
- (c) Discussions are ongoing with the Jersey Taxi-Drivers’ Association to determine the location and the extent of the space to be made available for taxis in the Broad Street area. I am hopeful that a compromise will be thrashed out and agreed at our Committee meeting on Thursday of this week.”

**8(a) Deputy T.J. Le Main:**

“I would like to ask the President a supplementary. In view of the threat of picketing by the taxi-drivers,

could I ask the President whether the Environment and Public Services Committee are actually being held to ransom by the taxi-drivers?"

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

"I was disappointed to hear the announcement of the picket, and certainly the Committee is determined and has a steely resolve to continue these works. But we have always said we will work with the Taxi-Drivers' Association to find a solution for taxis in Broad Street. The previous Committee's position is that they didn't want any taxis on Broad Street. Personally that wasn't my view. I thought that a compromise could be worked on. I was hopeful that a compromise would be worked on during the period that the works would be carried out. Unfortunately, that wasn't good enough for the Taxi-Drivers' Association and they refused to move off the area until a long-term solution has been found. We are so keen to get on with the work that that is why we have arranged to receive the Taxi-Drivers' Association on Thursday and hopefully to hammer out a long-term solution then."

**8(b) Deputy of St. John:**

"In last year's Budget, Sir, the President told us that there was little funding at all to do repairs to main roads etc. and other roads around the Island. Will the President please explain how come funding can be found – considerable funding can be found – for this particular work when the rest of the Island are suffering badly?"

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

"Excellent question. The thing that needs to be pointed out is that the Committee has been persuaded, and I have been persuaded, to get the Committee on board with progressing with Broad Street because a substantial lesser cost is being incurred by Environment and Public Services, and that is because of the excellent working relationship that we are enjoying with the Parish of St. Helier. The Parish of St. Helie are taking-on funding responsibility for the obelisk, which is nice to have and I understand why it is important to the Parish. They want it done and they are going to pay for it. The Parish also, for the first time, is actually working with Environment and Public Services having a joint gang. That means that this is ... I know that the *Radio Jersey* phone-in says we're spending money. Well, actually, the previous Committee bought the materials and we're actually using our own labour to deliver the project. Better than that, we're putting a joint gang from the Parish of St. Helier and Public Services to deliver that. I think that is a great move forward for delivering improvements across the Island and, if that is the kind of co-operation that I can see with the Parish of St. Helier, I look forward to having more co-operative discussions with other Parishes to deliver other projects across the Island with the labour that we have got."

**8(c) Connétable of St. Helier:**

"Given the fact that the majority of traders and rate paying traders in the area want these works to go ahead, does the President not agree that it would be somewhat perverse for his Committee this week to give a cast iron guarantee that taxis will go back on the newly created urban space, particularly given the fact that the temporary arrangements that his Committee are putting in place with the taxi-drivers may be shown to work extremely well over the five-month period?"

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

"I understand absolutely the Constable's point. The difficulty that I am faced with is that, if we don't find a solution with the taxi-drivers, then there will be a picket. I do not want to put either his staff or our own Public Services Department staff in a difficult position, that they are forced to either cross a picket or we engage in some difficult industrial relations problem. So, therefore, we're in the mood to compromise. We have always said... personally I have always said that I have no difficulty with the permanent presence on Broad Street. I agree with him that it is unfortunate that alternative locations such as Library Place couldn't be trialled in order to see whether or not they do work. There has been some scare-mongering, I have to say, and disappointing scare-mongering amongst some taxi-drivers in terms of inflaming elderly people that they won't be able to get a taxi-rank and all the rest of it. I would have preferred us commence the work and hammer-out a long-term arrangement whilst the work was going on, but that has not been good enough for the Taxi-Drivers' Association."

**The Bailiff:**

“President, answers must be concise.”

**9. Deputy G.C.L. Baudains to the President of the Environment and Public Services Committee:**

“Would the President explain how the Committee’s proposed plans for Broad Street will benefit people arriving and leaving town from that area, especially the elderly and infirm, and advise to what extent, if any, the taxi-drivers operating in that area have been consulted and also give the latest estimated cost of the scheme?”

**Senator P.F.C. Ozouf (President of the Environment and Public Services Committee):**

“One of the key objectives of the proposals for Broad Street is to make the area safer and clearer for the pedestrian to use, in accordance with the strategic policy objectives by the States both in the Island Plan and in the Sustainable Transport Policy, which said that greater priority should be afforded to pedestrians in town. Accordingly, pavements will be widened and the level of the surface road will be raised to the pavement throughout to create a traffic calmed area where pedestrians, and particularly the elderly and infirm, can move about with greater ease and safety. The potential long-term solution to the location of Broad Street taxi-rank remains, as I said in my previous answer, with the discussion between the Taxi-Drivers’ Association and Environment and Public Services, and I am keen to involve the Constable of St. Helier in those discussions. I have a whole list– which I won’t read out because I know that members want to ask me Supplementaries – about the consultation that has happened with taxi-drivers. I will willingly circulate the list. It is not true to say that there hasn’t been, over a protracted and long period of time, discussions with the Taxi-Drivers’ Association. The cost of the scheme? Well, it remains, if fully capitalised, at a cost of approximately £500,000. However, that is not money spent, that is labour being directed towards this particular project and a significant proportion of that is being paid for by the Parish of St. Helier.”

**9(a) Senator P.V.F. Le Claire:**

“£500,000. Could the President outline exactly how much of that money is being paid for by the Parish of St. Helier, how much is being paid for by the Public Services Department and the Environment Committee and how much is being paid for by whoever else may be paying it?”

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

“Broadly speaking, Sir, I can advise that approximately £200,000 was spent by the previous Committee in buying the materials. That was materials that have been in stock and held in Public Services’ warehouses for over a year, and that is one of the reasons why we’re keen to actually get them out and use them. The rest of the balance of the figure, there is approximately £70,000 to £100,000 in relation to the obelisk. That is going to be paid for by the Parish of St. Helier. There is approximately £60,000 in respect of the toilet refurbishment, but the rest of the funding is just simply the cost of actually putting that labour on that ground.”

**9(b) Deputy J.A. Hilton:**

“I have a concern about the lack of on-street parking actually in St. Helier to facilitate people to do shopping. Is the President prepared to confirm that there will be no permanent loss of 20 minute on-street parking in the immediate area of Broad Street when the question of the permanence of the Broad Street taxi-rank has been resolved, and also can he tell me if he is confident that some compromise will be reached with the taxi-drivers regarding the number of vehicles that will end up being on the Broad Street taxi-rank?”

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

“I can confirm that, in the short-term, there is going to be a reduction in the amount of on-street parking. Certainly the one-hour parking at the bottom of Conway Street has been converted into 20 minutes. I cannot answer the question about the permanent loss of any 20 minute on-street parking because of course it depends on the final arrangement with the taxi-drivers. The more taxi-driver space that is given across in either Conway Street or Library Place, the less on-street parking there is going to be. I wanted to find a compromise having regard to all stakeholders: shoppers, drivers, taxi-drivers and all the rest of it. Unfortunately, we are going to be rushed into a compromise on Thursday – not an ideal position, but frankly if that is what it takes to get the work done, so be it.”

**9(c) Deputy J.B. Fox:**

“Will the President also bear in mind that there are a number of major banks in the area and there are parking requirements for people going to banks, and would he assure the House that he will add to the list the Jersey Bankers’ Association, or whoever is appropriate, to ensure that we are not jeopardising the safety and well-being of our customers?”

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

“Willingly, Sir, and I would say that the Committee is sensitive and understands the needs of on-street parking and short-term parking across St. Helier. Working with the Constable of St. Helier in our good working, sound, new relationship, I am confident that we will identify opportunities for on-street parking where opportunities present themselves. Certainly, looking at Snow Hill, Snow Hill is a key place for shopper parking, and if we can expand the amount of parking available there, then the Committee will be doing so.”

**9(d) Deputy G.C.L. Baudains:**

“Would the President agree that this really is a case of Public Services going ahead regardless of consultation? It would appear that nearby traders are driving the process. Would the President advise whether his Committee, for example, has consulted the traders of Colomberie to find out if their expectations of pre-road changes were actually realised, and would he agree that the Broad Street area is actually the interchange between traffic and pedestrians and moving it further away, which are basically the long-term plans, moving it further away is actually detrimental to the area and will create greater hardship for the elderly and infirm?”

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

“The Deputy of St. Clement, Deputy Baudains, is a long-term critic of the changes that are being made in St. Helier. I absolutely applaud the work of previous Committees in the work that they have done outside Le Gallais; in Colomberie; and in Charing Cross. All of these improvements are making St. Helier a better place. Deputy Baudains doesn’t agree with them. Deputy Baudains doesn’t agree with them, but my Committee has a clear mandate to continue these changes, and I am sure that if a compromise can be reached with the Taxi-Drivers’ Association on Thursday and that Broad Street continues and the work is actually carried out, that will be a further change and a further area of St. Helier which will improve and will bring credit on the Parish of St. Helier and Environment and Public Services. I am determined to ensure that the will of this Assembly, having determined on numerous occasions to deliver this kind of change, is upheld and these works are done.”

**9(e) Deputy G.C.L. Baudains:**

“A nice speech, Sir, but he didn’t answer my question. Did he consult the traders of Colomberie?”

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

“The Deputy knows very well that there is extensive consultation that is carried out with these road improvements. The changes in Colomberie were made, I am told and I am advised, because the traders wanted it. The feedback that I have had from the traders is extraordinarily good, as is the feedback that I have had from the changes that have been made at Charing Cross.”

**10. Deputy G.C.L. Baudains to the President of the Environment and Public Services Committee:**

“Would the President advise on the position of the Committee regarding the pedestrian access which was to be provided by the developer of the new Jambart Estate and state whether alterations to Rue de Jambart will be required instead and, if this is the case, would he advise what consultation, if any, has taken place with the Parish of St. Clement regarding these new plans?”

**Senator P.F.C. Ozouf (President of the Environment and Public Services Committee):**

“The Committee when approving the development brief for this Category A site had requested that a footpath link be investigated connecting the development to the Coast Road. In approving the application, it decided that this should take the form of a path across the fields to the east of the development in the direction of Sidney Crill Park, which, for the most part, is across land owned by one of the owners of the

development. However, achieving such a path proved extremely difficult, as it depended on the legal agreement of third parties to make the final connection to the Coast Road. The developers had no power to achieve these owners' agreement to sell. Reservations about the route had also been expressed by the Crime Prevention Officer and the Housing Committee were opposed to it also. The Committee therefore has required the improvements to Jambart Lane instead. Whilst the application is still being considered, this alternative was considered. This involved pedestrian safety improvements along Jambart Lane itself. This benefits not only the residents of the new development but the existing residents of Jambart Lane. The improvements are similar to those successfully carried out at West Hill on La Grande Route de Mont à Abbé. The developer has paid a sum as part of the planning obligation which will cover the full costs of this work. A planner and highways engineer attended a meeting of the St. Clement Roads Committee on 17th November 2003. The comments of the Roads Committee were contained in a letter from the Connétable dated 19th November and stated: 'The pedestrian safety improvements suggested are, in the Roads Committee's view, essential and I trust the developer effects these enhancements within the development costs. Neither Parish nor Public Services should be expected to finance such costs', and that is exactly what has been done."

**10(a) Senator P.V.F. Le Claire:**

"In light of the fact that neither the Parish nor the Public Services Committee should be expected to bear these costs of pedestrian improvements, can the President outline why £240,000 is being picked up by these two Committees to improve Broad Street in relation to an economic advantage for the people who are going to be enjoying their businesses there and who may be coming in to enjoy business there? Why aren't these people picking up an economic aspect of this, and is it true that £200,000 was transferred from the Tourism Department to the project to enable -----."

**The Bailiff:**

"This is a supplementary question, not a speech. I think that is probably long enough, Senator."

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

"I think the question was why didn't the Committee go and get some money for Broad Street out of improvements in the area compared to Jambart Lane, where actually there has been a change been going on and the development process is being used to get some road improvements. Well, there wasn't any massive developments around Broad Street to be done. That might not be the case for Conway Street. If Conway Street – if there is a large development there – the Committee will look at the opportunity and look at opportunities for imposing planning obligations and we are going to have an onward debate in the next few months about the whole concept of planning gain. Where the planning system can deliver public realm improvements, it will be used."

**11. Deputy G.P. Southern to the President of the Finance and Economics Committee:**

"Would the President inform members whether the Committee will be reconsidering its position on its fiscal strategy in the light of recently announced changes to tax structures in the British Virgin Islands, particularly in relation to (a) payroll taxes, and (b) the level of annual fees for international business companies?"

**Senator T.A. Le Sueur (President of the Finance and Economics Committee):**

"My Committee takes note of the way in which taxes are levied in a variety of jurisdictions, but, at the end of the day, it has to consider what is most appropriate for the particular needs of Jersey. We are aware of recent changes in the British Virgin Islands, but do not believe that they are a significant reason in themselves for my Committee to reconsider its position. In any event, we are looking at the possibility of raising annual fees for companies as a way to offset the loss of the exempt company charge income, but such a measure would in no way meet the fiscal deficit that will arise in 2010. Other measures will also be required."

**11(a) Senator P.V.F. Le Claire:**

"I didn't get an answer. I didn't hear the answer to what is the level of annual fees for international business companies in these jurisdictions. I don't know if that was ... maybe I missed it. I don't know if that was part of the question."

**Senator T.A. Le Sueur:**

“The question certainly didn’t relate to the actual level of the fees, it was the possibility of getting the change in our fiscal strategy because they are changing their fees. I cannot say what the current or proposed level of annual fees is there. What I can say is that we are proposing to review our costs for annual fees for companies in the light of getting extra revenue to replace that from the loss of exempt company tax.”

**Matters relating to the composition and election of the States Assembly – statement**

The President of the Privileges and Procedures Committee made a statement in the following terms –

“In recent months several propositions relating to the composition and election of the States Assembly have been referred to the Privileges and Procedures Committee for comment. At the end of the last session, for example, the proposition of Deputy Troy on the 2005 Senatorial elections (P.221/2004) and the proposition of Deputy Breckon on Senators and Deputies’ elections (P.227/2004) were referred to the Committee and there are now other propositions on these issues that members may wish to refer to the PPC.

The Committee considered this matter at its meeting last week. It recalled that issues relating to the composition of the Assembly had originally been dealt with by the Policy and Resources Committee until the establishment of the first Special Committee in March 2002. Having examined our terms of reference, the PPC concluded last week that it is not at all clear that issues relating to the composition and election of the States fall within our remit. Members will also appreciate that it is difficult for the current members of PPC to comment on these issues following the wholesale rejection by the States of the proposition of the last Special Committee which, until the resignation of Senator Le Claire just before the debate, had the same membership as PPC.

The PPC reached the conclusion that it does not, from now on, intend to comment on any propositions relating to the composition and election of the Assembly. The Committee believes that it would be a more appropriate and worthwhile use of its time to address the significant agenda on other matters that it faces in the coming months, particularly on the new Standing Orders where the Committee is making good progress and will be able to publish initial proposals next month.

The Committee also considered whether it should bring forward a proposition to ask the States to establish a new Special Committee to take forward issues on composition as, although there are a number of options that have been proposed by private members, the PPC does not think it is realistic to deal with such significant constitutional issues on this *ad hoc* basis.

Having discussed the advantages and disadvantages of the establishment of a new Special Committee the PPC decided not to bring forward a proposition at this stage. The Committee concluded that, with elections only some 9 months away, it is unlikely that the necessary work on these complex areas could be undertaken and approved by the States this year and, in addition, it is now too late to make any significant changes for the 2005 elections. I would stress that the members of PPC are disappointed, on an individual basis, about the lack of progress on these important matters, particularly as there are outstanding issues, such as the rôle of the unelected members, a general election and a standard term of office, that may not be addressed for some time.

It does, of course, remain open to any private member to bring forward a proposition on the establishment of a Special Committee if any member disagrees with our Committee’s conclusion.”

**Update on the bus strategy report – statement**

Deputy Guy William John de Faye, on behalf of the President of the Environment and Public Services Committee, made a statement in the following terms –

“On 19th October 2004, the States approved a report and proposition of Deputy Le Hérisier which, amongst other things, charged the Environment and Public Services Committee to prepare a revised Bus Transport Strategy and present it to the States for approval within 3 months. That timescale is very nearly upon us and I want to advise the States what the Committee has already done and what it proposes to do.

When the States approved the Bus Strategy in July 2001, the States and the public felt that the Island would now be able to put in place an efficient and effective public bus service funded by public subsidies which were transparent and value for money.

The Bus Strategy contained 5 separate elements within its proposition –

1. **To agree that competitive bids should be sought from bus operators** – the tendering exercise took place in late 2001/early 2002 with interviews conducted with interested transport operators.
2. To agree that a licence of up to 7 years should be awarded to the operator which best fulfils the specification and which is prepared to work in partnership with the states to enhance the quality of bus services in the Island – this was achieved and Connex started operating in September 2002. A Service Level Agreement is in place and, in the main, the bus network is working well.
3. **To charge the then Public Services Committee to prepare and present to the States any necessary law amendments** – all required amendments were subsequently drafted and approved, with the exception of certain licensing and regulatory functions that might have passed to the Jersey Competition Regulatory Authority. That aspect remains under review until an Integrated Public Transport Strategy has been determined.
4. To request the Committee to investigate proposals to provide for public subsidies for bus services where required in such a manner as to provide transparency and an assurance that value for money is being obtained – subsequent Committees have not been able to provide an alternative funding stream for the buses but the current Committee has now successfully gained States approval to utilise parking income over and above the costs of running the car parks and this has now been approved by the Privy Council. Moreover, the information now received on a regular basis from the bus operator provides the Committee with key statistics indicating the profitable and unprofitable routes, ridership on different routes, how that ridership is made up and an analysis of the concessionary fares.
5. To request the Committee to consult with other interested parties to ensure that bus services meet the needs of the travelling public and to monitor the effectiveness of bus operations – the Committee has consulted on any changes proposed and receives input from the Jersey Bus Users Forum. Moreover, as mentioned already, the Committee does regularly monitor bus operations, but has not yet set targets for increasing bus usage.

The Committee has made significant strides in achieving the key proposals within the Bus Strategy. However, it has been unable to develop the services as it might have anticipated primarily because the Committee of Inquiry into certain aspects of the tender process has meant the Committee remains unable to progress key initiatives until that Inquiry has reported. For example, the issues surrounding the payment of the shift allowance stifled various Committees’ efforts to effect changes in the bus services to the advantage of the travelling public.

The first year of Connex operations was, inevitably, a learning exercise. The Committee had no meaningful data from the previous operator which would have helped either the Committee or the new operator to understand the business. However, a comparison of Year 2 against Year 1 results show some encouraging trends at a time when visitor numbers were down. The key statistics of interest are –

- (i) total passengers journeys slightly reduced from Year 1 at 2.4 million;
- (ii) average passengers carried during winter schedule up by 2% or nearly 3,000 a month;



- (iii) average passengers carried during the summer down by 6%;
- (iv) annual income maintained at £2.1 million despite slight fall in passenger numbers;
- (v) States subsidy per passenger journey increased from 90p to £1 due to static revenue and passenger journeys and increased contract costs;
- (vi) 18% of passenger journeys are provided free for concessionary pass holders.

Easylink ran in both years, in Year 2 having been granted an exemption by the Environment and Public Services Committee. There is no doubt that the Island needs a summer tourist service to complement the regular network. The Committee wants and aims to provide a fully integrated system, but this does not necessarily imply that there will ultimately be a single operator.

What will the Committee deliver?

At the next States sitting, the Committee will provide a detailed report on the progress to date of the Connex bus service, with additional information on the school services.

The Committee is developing a Sustainable Traffic and Transport Strategy and workshops have already been held. Within the next few months, a consultation document will be published. That will aim to gather the views of the public and other interested parties into how all the different elements of transport within the Island, including buses, cars, taxis, other forms of transport, roads, and parking, can fit together in a more cohesive manner, in order to deliver a better public transport system for the Island. Buses will be a key component in this debate and the Committee needs to understand what the public's priorities are, before making fundamental decisions as to the future.

The Committee aims to integrate the public and school bus services as much as possible in September 2005. This will be an ongoing process and discussions will be held with the Education, Sport and Culture Committee to ensure we meet the needs of the customer at minimum cost to the public. This may entail some staggering of school start and finish times, but there will be consultation with interested parties before any decisions are made.

The Committee would like to integrate summer services but, understandably, the current operator will not invest any further until there is certainty from the outcome of the Committee of Inquiry.

<b>PUBLIC BUS SERVICE</b>	<b>2002/3 Year 1</b>	<b>2003/4 Year 2</b>
Total passenger journeys	<b>2,483,000</b>	<b>2,446,000</b>
Paying passenger journeys	<b>2,044,803</b>	<b>2,013,127</b>
Free concessionary journeys	<b>438,495 (18%)</b>	<b>433,234 (18%)</b>
Average fare (paying passengers)	<b>£1.03p</b>	<b>£1.06p</b>
Average passengers carried per calendar month (winter)	<b>169,720</b>	<b>172,507</b>
Winter schedules income (gross)	<b>£995,231</b>	<b>£1,113,152</b>
Average passengers carried per calendar month (summer)	<b>283,560</b>	<b>266,577</b>
Summer schedules income (gross)	<b>£1,121,642</b>	<b>£1,012,437</b>

Annual income (gross)	<b>£2,116,873</b>	<b>£2,125,589*</b>
Annual contract cost	<b>£4,341,593</b>	<b>£4,593,840**</b>

**Shadow Scrutiny Panels: appointment of member.**

THE STATES, adopting a proposition of the Privileges and Procedures Committee, appointed Deputy Judith Ann Martin of St. Helier as a member of the Shadow Scrutiny Panels.

**Sites of Special Interest and Buildings of Local Interest – financial implications – P.166/2004  
Comments**

THE STATES, adopting a proposition of the Deputy of St. John, requested the Environment and Public Services Committee, in consultation with the Finance and Economics Committee, to undertake appropriate research, and present to the States within a period of 6 months a report on the additional financial burden, if any, that owners of Sites of Special Interest (S.S.I.s) and Buildings of Local Interest (B.L.I.s), and proposed S.S.I.s and B.L.I.s, faced as a result of this designation.

Members present voted as follows –

**POUR: 31**

**CONTRE: 0**

**ABSTAIN: 0**

Senator S. Syvret  
 Senator P.V.F. Le Claire  
 Senator P.F.C. Ozouf  
 Senator R.J. Shenton  
 Connétable of St. Ouen  
 Connétable of St. Saviour  
 Connétable of St. Brelade  
 Connétable of St. Mary  
 Connétable of St. Peter  
 Connétable of St. Clement  
 Connétable of Trinity  
 Connétable of St. Lawrence  
 Connétable of Grouville  
 Connétable of St. John  
 Deputy R.C. Duhamel (S)  
 Deputy A. Breckon (S)  
 Deputy of St. Martin  
 Deputy of St. John  
 Deputy J.L. Dorey (H)  
 Deputy P.N. Troy (B)  
 Deputy L.J. Farnham (S)  
 Deputy J.B. Fox (H)  
 Deputy J.A. Bridge (H)  
 Deputy J.A. Martin (H)  
 Deputy G.P. Southern (H)  
 Deputy J.A. Bernstein (B)  
 Deputy S.C. Ferguson (B)  
 Deputy of St. Mary  
 Deputy of St. Ouen  
 Deputy J.A. Hilton (H)  
 Deputy G.W.J. de Faye (H)

The Deputy of Trinity, Deputy Roy George Le Hérissier of St. Saviour, and the Deputy of St. Peter all declared an interest and withdrew from the Chamber prior to the consideration of this matter.

#### **Planning applications: requirement to publicize – P.175/2004**

##### **Comments**

THE STATES commenced consideration of a proposition of Senator Paul Vincent Francis Le Claire regarding planning applications: requirement to publicize, requesting them to agree that the Environment and Public Services Committee should take immediate steps to ensure that –

- (i) all applications for permission to develop land submitted to the Committee were publicized for a period of at least 28 days to allow representations on the application to be made by the public; and,
- (ii) all such applications, including all relevant drawings, were made available for public inspection during the above 28-day period at the Parish Hall in the Parish to which the application relates and at the Committee's offices,

and, following consideration, granted leave to Senator Paul Vincent Francis Le Claire to withdraw the proposition.

Deputy Peter Nicholas Troy of St. Brelade declared an interest and withdrew from the Chamber prior to the consideration of this matter.

#### **Change in Presidency**

The Bailiff retired from the Chair during consideration of the proposition of Senator Paul Vincent Francis Le Claire regarding planning applications: requirement to publicize, (P.175/2004 lodged "au Greffe" on 12th October 2004), and the meeting continued under the presidency of Mr. Michael Nelson de la Haye, Greffier of the States.

#### **Jersey Brewery site, Belmont Place, St. Helier: deletion of site warehouse (only) from the list of sites protected for Category A housing under Policy H4 of the Island Plan 2002– P.231/2004**

THE STATES, adopting a proposition of the Environment and Public Services Committee agreed that the warehouse (only) at the Jersey Brewery site, Belmont Place, St. Helier, should be deleted from the list of sites protected to meet longer term Category A housing needs in Policy H4 of the Island Plan 2002.

The Connétable of St. Ouen, the Connétable of St. Lawrence, the Deputy of St. John, Deputy Maurice François Dubras of St. Lawrence, and the Deputy of St. Mary all declared an interest and withdrew from the Chamber prior to the consideration of this matter.

#### **Jersey Airport: Fireground Remediation – Deed of Settlement – P.176/2004**

##### **Comments**

THE STATES commenced consideration of a proposition of the Harbours and Airport Committee concerning Jersey Airport: Fireground Remediation – Deed of Settlement, and adopted a proposition of Senator Leonard Norman that, in accordance with Standing Order 46(1), strangers do withdraw, in order that the matter be debated in camera.

THE STATES further agreed that the Airport Director should be permitted to remain in the precincts of the States Chamber during consideration of this matter having been privy to the contents of the Deed of Settlement and

associated legal advice prior to the debate.

THE STATES, having deliberated the matter in camera, proceeded to vote in public assembly, and, adopting a proposition of the Harbours and Airport Committee, approved and ratified the Deed of Settlement, held by the Greffier of the States, made on 4th October 2004, between the Harbours and Airport Committee and the supplier of fire fighting media for Jersey Airport, and requested the Greffier of the States to record the ratification on the Deed.

Members present voted as follows –

**POUR: 36**

Senator J.A. Le Maistre  
Senator L. Norman  
Senator F.H. Walker  
Senator T.A. Le Sueur  
Senator P.F. Routier  
Senator M.E. Vibert

Senator P.F.C. Ozouf  
Connétable of St. Ouen  
Connétable of St. Saviour  
Connétable of St. Brelade  
Connétable of St. Peter  
Connétable of St. Clement  
Connétable of St. Helier  
Connétable of Trinity  
Connétable of St. Lawrence  
Connétable of Grouville  
Connétable of St. John  
Deputy of Trinity  
Deputy R.C. Duhamel (S)  
Deputy of St. Martin  
Deputy of St. John  
Deputy T.J. Le Main (H)  
Deputy M.F. Dubras (L)  
Deputy G.C.L. Baudains (C)  
Deputy J.L. Dorey (H)  
Deputy P.N. Troy (B)  
Deputy F.G. Voisin (L)  
Deputy L.J. Farnham (S)  
Deputy J.B. Fox (H)  
Deputy S.C. Ferguson (B)  
Deputy of St. Mary  
Deputy of St. Ouen  
Deputy M.A. Taylor (C)  
Deputy of St. Peter  
Deputy J.A. Hilton (H)  
Deputy G.W.J. de Faye (H)

**CONTRE: 12**

Senator S. Syvret  
Senator W. Kinnard  
Senator P.V.F. Le Claire  
Connétable of St. Mary  
Deputy A. Breckon (S)  
Deputy J.J. Huet (H)  
Deputy R.G. Le Hérissier  
(S)  
Deputy J.A. Martin (H)  
Deputy G.P. Southern (H)  
Deputy J.A. Bernstein (B)  
Deputy P.J.D. Ryan (H)  
Deputy of Grouville

**ABSTAIN: 0**

THE STATES rose at 6.00 p.m.

**A.H. HARRIS**

*Deputy Greffier of the States.*