

STATES OF JERSEY

Economic Affairs Panel Role and Funding of Jersey Finance Limited

MONDAY, 17th DECEMBER 2007

Panel:

Deputy G.P. Southern of St. Helier (Chairman)

Deputy J.A. Martin of St. Helier

Deputy K.C. Lewis of St. Saviour

Witnesses:

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

Mr. M. De Forest-Brown

Deputy G.P. Southern of St. Helier (Chairman):

Welcome to the Minister for Treasury and Resources wearing his old hat I think as a president of the Finance and Economic Committee, as it was, to discuss the funding and role of Jersey Finance Limited. We can only really question you about a fairly short period when you were responsible, with F. and E., for the Jersey Finance Limited. When you had that responsibility, you took over from Senator Walker as head of F. and E. and you passed it on to E.D.C. (Economic Development Committee) by the end of 2004 I think.

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

Earlier than that. The decision I think was something like November 2003.

Deputy G.P. Southern:

It took some while to transfer it, I think, though or did it?

Senator T.A. Le Sueur:

Possibly, yes.

Deputy G.P. Southern:

Once you say that is it, I am done and dusted, because it passed on.

Senator T.A. Le Sueur:

Effective 26th November 2003 was in the E.D.C. minutes.

Mr. M. De Forest-Brown:

Yes, that is right, 26th November 2003 responsibility for J.F.L. moves from F. and E. to E.D.C. under Gerald Voisin.

Senator T.A. Le Sueur:

Yes, so effectively 11 months.

Deputy G.P. Southern:

I will start with a general question of what you thought you were passing on to E.D.C. What was the function of J.F.L. (Jersey Finance Limited) as you saw it?

Senator T.A. Le Sueur:

J.F.L. was a body set up with 2 or 3 objectives I would have said. One was to feed government with the connected views of the financial services industry. Another was to promote the industry around the world in line with what its competitor jurisdictions were doing. I suppose, thirdly, to monitor standards and act as a sounding board between Financial Services Commission, which might want greater regulation, and an industry which might want greater flexibility, freedom, ability to compete. I suppose primarily its role was one of communications and marketing, as I saw it. Others may clearly see it in a different way.

Deputy G.P. Southern:

As far as you are concerned its funding, were you aware of the history of its funding and essentially how it was set up?

Senator T.A. Le Sueur:

It was set up I think originally that in the longer term there was a hope that it might become purely industry-based, self funded by the industry. Certainly in the initial

days it was suggested I think they should be on a pound for pound basis; that the industry would put in half and the States would put in the other half. But I think there was an expectation at the time that it might ultimately become self-financing. On the other hand, expectations like that sometimes are more in hope than reality and of course times change. That was, I think, the original expectation back in something like 1999, 2000.

Deputy G.P. Southern:

Certainly the wording of minutes on the Industries Committee suggest: “Would fund the initiative during the first year and then be funded by subscription in subsequent years” would seem to confirm that.

Senator T.A. Le Sueur:

Yes.

Deputy G.P. Southern:

“Initial funding would be provided through the Financial Services Commission.” Initial funding again; we will set it up, get it running but then it certainly gives the impression that we are looking at self-funding.

Senator T.A. Le Sueur:

Right.

Deputy G.P. Southern:

That turned out at some stage to be some sort of 50/50 matching funding.

Senator T.A. Le Sueur:

Yes. I suppose when you set up any new body like this it is difficult to know at the start which direction it will take and which direction you might focus on and whether what it starts off at will necessarily be what it ends up doing. Hopefully any body which is in this sort of activity is going to evolve over time.

Deputy G.P. Southern:

Indeed, and one of those evolutions is a gradual increase in the amount of money that the States is putting into that body from the initial £250,000 matched funding, now to £1 million as against some £400,000 coming from the industry itself. We have now overtaken industry and we are the major funder of its activities. How do you feel about that as Treasury and Resources Minister?

Senator T.A. Le Sueur:

As Treasury and Resources Minister I think it is a good investment because I think that the successful promotion of the financial services sector has paid dividends in terms of the extra tax revenue that I get in. I cannot quantify any correlation between if we spent £2 million would I have got double the tax revenue; if we had spent £500,000 and only half the tax revenue? I cannot honestly make a correlation with that but I do think that at a time when our competitor jurisdictions are spending millions on promotions what we have achieved with the relatively small amount that Jersey Finance spends has been a significant improvement in our tax revenue from the financial services sector. From that point of view, yes, I think it is money well spent.

Deputy G.P. Southern:

But in terms of normal funding under the financial codes, the accountability question - - you say it is difficult to correlate, certainly not a linear graph, between double the money and you get twice the income.

Senator T.A. Le Sueur:

It might be. I really do not know.

Deputy G.P. Southern:

It may not be. It is a very hard thing to pin down in terms of a service level agreement or a partnership agreement as to what you are getting for your spend. It has been put to me by Martin himself this morning, that 50 per cent of any spend on marketing and promotion is effectively deciding which half is the bit that is working.

Senator T.A. Le Sueur:

Yes.

Deputy G.P. Southern:

So if business goes up it because of marketing spend. If business does not go down, the market leads because the marketing spend you can never win that one. Do you feel that that level of accountability is the best we can achieve in this very grey area?

Senator T.A. Le Sueur:

Possibly not, no. I think if you spent lots of money setting up various recording systems, reporting systems and less palatable systems you might prove that one source of business is a better route than another. You would probably spend so much on analysing which is the best route that you might as well have thrown the money in in the first place. You are spending money either way and perhaps not ending up with any greater degree of information. It is one of those difficult things. Marketing is not one of those things I am expert at but I certainly agree that a lot of marketing spend is not value for money. We just do not know which bit is.

Deputy G.P. Southern:

Can I just take you up on that? Apart from wanting to pick out a phrase that is used and use it in isolation, I never thought that I would hear you say that one might be better off just throwing money at something in the first place. I promise not to take it out and use it out of context, that statement. Yes, I am not a marketing man. As a general principle would you say the States should not be in the business of marketing; you should be paying somebody to do that for you and hope that somehow they know what they are doing and that it works?

Senator T.A. Le Sueur:

Arguably you could employ a marketing agency to do the same sort of work. I do not know that they would have the same feel or the same enthusiasm as an industry which is dedicated to its own particular marketplace, knowing its marketplace more intimately than any marketing company is likely to be able to achieve. I think although you might get better marketing skills with a professional marketing firm, to offset that against the direct knowledge and involvement - sort of hands on feel - that is something J.F.L. can provide. That is a decision that may be for J.F.L. itself to decide whether it wants to have access to commercial marketing expertise and in what

degree, how much they spend their money to get best effect. I am not competent to judge.

Mr. M. De Forest-Brown:

I think the single largest check or assessment of the effectiveness of the marketing spend in J.F.L. is its own members. I think they are particularly, as we have noted throughout the day, conscious that they are spending money, contributing money as members to J.F.L. which they could be spending themselves directly. Notwithstanding the fact that there are government monies in there, I think they are very sensitive about their own money. On top of that I think they are very sensitive about how effectively the government money is spent because they share in the benefits of that as the Island does better. Effectively what you have got there is the combined resources of the marketing departments across multiple leading edge, blue chip, finance companies all giving their 2 pennies worth in from time to time on whether things are effective. If the marketing plans of J.F.L. are looked at in detail you will see that they have evolved and continue to evolve over time in terms of the sorts of activities they undertake. In particular you will note in due course - probably a conversation for other day - there is an increasing move away from the macro marketing, the generic marketing, to more detailed, very targeted marketing at specific areas of specialism.

Deputy G.P. Southern:

In which case that poses the question - it does not beg it yet - which I want to put to the Finance Minister as to whether -- and I have put it to other people before you today. Whether in fact if the main beneficiary is in fact individual members of J.F.L. and they wish J.F.L. to be accountable to them for the effectiveness of their spend then at the one end of the spectrum they should be funding J.F.L. If it is value for money, it is those businessmen who can decide best whether that is the case and not the government.

Senator T.A. Le Sueur:

I think that is the way the 2 pronged approach, if you like, is beneficial. Businesses with a particular expertise or commitments may well commit funds finally to what they pay to J.F.L. on their marketing budget for that particular area. That does not

stop them marketing idea of Jersey as a whole and I think one of the strengths of the Jersey Financial Services Sector has been the fact that it has expertise in a number of different directions. To simply have a nano approach and say: “Well, I am going to invest in the area of my particular thing” is narrow minded because you cannot deliver that service to a proper standard unless you have got supporting people in connection with your business also working in the same direction. So I do not think it is a question of either/or, it is a question of both/and.

Deputy G.P. Southern:

Okay, but that then poses the question on accountability as to who J.F.L. is accountable to. Is it members, is it the States? Can it be accountable to both equally or does that create a tension within the organisation?

Senator T.A. Le Sueur:

I do not think so. Accountability is standing up and explaining what you have done to achieve the objectives that you were entrusted to do. So the States through F. and E. (Finance and Economics) and then through E.D.D. (Economic Development Department) were entrusted to do certain things, the industry was entrusted with doing things, hopefully there is no great conflict between the 2 of them. Even if there were accountability is not a matter of being part of one side or another, it is a question of explaining, and I say being accountability but that is tautologous, but it is not something which I would regard as favouring one side or another. Accountability ought to be impartial.

Deputy G.P. Southern:

When you handed on J.F.L. to E.D.C. shortly afterwards there was an internal audit carried out which suggested that accountability to the funders, the government, scored a 2 on a scale of one to 5, with one being poor. Were you aware of this at the time? Do you think that was a failing in setting up the business in the first place, that accountability was so poor?

Mr. M. De Forest-Brown:

Sorry, just in timing terms, just to be clear, the J.F.L. was handed to E.D.C. at the end of November 2003 so the audit report came 6 months later during 2004.

Deputy G.P. Southern:

Commissioned by E.D.C.?

Mr. M. De Forest-Brown:

Yes.

Deputy G.P. Southern:

Should it have been commissioned earlier under your steerage, Minister?

Senator T.A. Le Sueur:

Possibly. I think from my point of view I regarded F. and E. as very much having an interim role. When I took on the presidency of F. and E. at the start of 2003 it was my view that responsibility for J.F.L. sat better with E.D.D., or E.D.C. as it was then. So my objective, if you like, was to ensure that that transition occurred as soon as possible in order that Economic Development could get on with what I regarded as their responsibility in that area. So I was perhaps less interested in the internal audit of something which I knew very little about at that stage, so much as the mechanism for ensuring that the thing was properly transferred and that there was a clear way ahead for J.F.L. and E.D.C. in the future. So certainly internal audit was not high up on my list of priorities at the time, although when it came to asking for additional monies later in the year I did suggest, and I think the Minister definitely recorded the fact, that we needed to have a bit more certainty about how that money was being spent.

Mr. M. De Forest-Brown:

Yes, I think that resonates with previous discussions today which was that at the beginning of that year, 2003, we were still in the 250, the grey area which there is always some permanent debate about and, as was just noted, the issues started to come on the table with the one-off payment of £150,000 that happened in the middle of 2003 or was agreed in the middle of 2003 for the remainder of 2003. So you had the full amount of 400 for the whole of 2003. Then, again, as we previously heard from Mr. Voisin, that by the beginning of 2004 - when I think Bevan Anthony was the C.E.O. (Chief Executive Officer) at the time - there was already in train some

thoughts about how we should put in a partnership agreement or S.L.A. (Service Level Agreement) in place. So without pinpointing the original source of that it sounds like those matters were raised at some stage in 2003 and were already in train early in 2004 and then confirmed by the audit in June 2004.

Deputy G.P. Southern:

But that seems to me that while you are saying this really should be E.D.C.'s baby, in the initial formation of J.F.L. Industries Committee, the predecessor of E.D.C. was involved in the arrangements of setting up, but always it was the responsibility ... according to Maurice Dubras of F. and E. because you were the funders of it, or going to be the funders of it, it was your responsibility ultimately. So it seems to me there is a confusion in the very beginning between industries and then E.D.C. and the Finance as to who was doing what with it and who had that responsibility.

Senator T.A. Le Sueur:

I think it may be because we are all different that I saw my responsibilities and those of the F. and E. Committee in a different light to the way in which the previous committee saw their responsibilities. I think certainly at the time, the Industries Committee was quite young in those days, there was may be a need for greater political control or involvement, management, in the early days of Jersey Finance Limited, which was handled better through F. and E. I do not know, I am not competent to judge the nuances between one States' department and another. I was not directly involved with either F. and E. or industries at that time. Certainly I saw my role, and that of the F. and E. Committee that I wanted to operate, rather differently.

Deputy G.P. Southern:

As -- go on?

Mr. M. De Forest-Brown:

I may be wrong but I thought we heard earlier this morning that Mr. Dubras suggested that it was always thought that it should be Industries Committee/E.D.C. in due course but it was felt at that time that because of expertise that was present in the F. and E. Committee at that time they decided to leave it with F. and E. Committee until such

time as it was appropriate to hand that over. I think the turning point of that hand over was possibly the move of Mr. Walker from F. and E. to Policy and Resources possibly and then you took over after that. At that time you started to work towards the movement back towards E.D.C. where it was originally intended. Does that make sense?

Senator T.A. Le Sueur:

That makes sense.

Deputy G.P. Southern:

There are questions around that area that are to be directed to one Mr. Walker probably appropriately. Nonetheless, the funding for J.F.L. in its initial stages, there was no partnership agreement, there was no service level agreement at any stage until that internal audit was done and at the end of 2005 that service level agreement, that partnership agreement was in place. With hindsight, and it is always a joyous thing, should that have been in place earlier, do you think? Would it have made life easier for you as Head of F. and E. or for E.D.C. or for industries to have some service level agreement that says: "We are paying this much. If you do this, this and this and deliver this, this and this then you can have the money." That is the way it is supposed to work, is it not?

Senator T.A. Le Sueur:

Hindsight is a wonderful thing and possibly we are far more conscious now than we were 5 years ago. I think maybe 5 years ago the idea that J.F.L. had a business plan, and I imagine the F. and E. Committee of that day saw the business plan and said, yes, they think that is a sensible business plan, and on that basis -- I cannot really judge on what basis the F. and E. Committee of that day decided whether it needed a service level agreement or not. The objections were quite clear but equally it was very much an evolving body. I think maybe to tie it to rigidly to a service level agreement at that stage might have been a premature thing to do.

Deputy G.P. Southern:

Nonetheless, Direction 26 of the Financial Code was always in place that the branch should be accountable and there should be some sort of agreement as to what has been delivered.

Mr. M. De Forest-Brown:

One thing to throw into the pot maybe there is that - and I was wearing a different hat at the time because I was in industry at the time - I think there was a concern in the early days, and this was why this was very much seen as there was a push back, that this was rebate monies from J.F.S.C. was because industry were interested in having a body but did not want it to be just an extension of a government department because they wanted to have the entrepreneurial skills. They wanted to have the consideration of processes and procedures and so on that can be used in the finance industry. So I think there was the concern at the time that if this thing had been subsumed within a full service level agreement it would effectively have just become a government arm and would have government policies in place. So I think that is why there was this focus on this rebate for such a long period of time.

Deputy G.P. Southern:

That is the industry perspective at the time, I am more interested in the Minister's perspective with or without hindsight. So I repeat my question. Nonetheless, Direction 26 of the Financial Code was in place at the time and if we were giving a grant to anybody that should have been accountable in terms 26?

Senator T.A. Le Sueur:

I am not sure whether it was in place at the time. A lot of those codes certainly were revisited at the time of the new Public Finance Law, which was 2005. So I cannot at the moment say categorically what Direction 26 did say in 2003. I am sure if you have got a copy there ...

Deputy G.P. Southern:

I do not believe I have got it in front of me at the moment but nonetheless my officer is noting this down and we will be having a look to see what was in place at what time.

Deputy K.C. Lewis of St. Saviour:

Chairman, I just want to point out, I do not know if my notes are up to date, that there is no code of practice and there is no service level agreement as such, however J.F.L. are required to abide by the statement of corporate governance.

Deputy G.P. Southern:

Which had been made, their own statement of corporate governance, at the time?

Deputy K.C. Lewis:

Yes, corporate governance and also as far as possible the States' value for money policy as set out in item 5.

Senator T.A. Le Sueur:

What date is that, Kevin?

Female Speaker:

That was an officer note saying that a lot of documents we asked for, like business plans, service level agreements, did not exist and that they were just applied by their own corporate governance.

Deputy K.C. Lewis:

Part of the financial statements.

Deputy G.P. Southern:

Okay. You opened up a new area we had not heard yet today where you talked about the role of the J.F.L. acting as some sort of interface between the Industry and government and J.F.S.C. in terms of the amount of regulation there. Can you just clarify what you were saying there, how you saw this? You mentioned 3 but that was one of the roles. Can you just explore that a minute?

Senator T.A. Le Sueur:

Certainly. In terms, I think, at that stage we were just coming out of the *Edwards Report* and there was a lot of work to be done in terms of implementing some of the recommendations of the *Edwards Report*. That was likely being driven by J.F.S.C.

They were accepting of the fact you could not deliver everything overnight. What was going to be the most important thing to deliver? I think in that sense you had a sort of multi-pronged approach, J.F.S.C., J.F.L. and industry driven. Industry could have spoken with several different voices, each denoting a clear area of concern. I think it was helpful that you could have one body, if you like, able to speak on behalf of the industry and say: “We think at this stage the activities of directors and evaluation of directors might be more important than having audited accounts for every single company.” Ideas like that where J.F.L. might have one particular point of view, J.F.S.C. might have a different point of view and politically there could be a third point of view.

Deputy G.P. Southern:

Can I just explore that for a minute because here we are - the government is - through J.F.L. promoting finance activity on the Island and thereby the Island. That is the benefit for us. We have got J.F.S.C. now after *Edwards* clearly told you cannot be promoting the Island as well, you are not going to any more, you are there to regulate it. Now you are saying one of the activities of J.F.L. is to - and I use the word “lobby” - act on behalf of its members to reduce the amount of regulation coming through because there is a cost, say. Yes? We are financing it. So, hang on, we are the government, we have got a regulator set up now independent and not promoting the business, we have got J.F.L. promoting the business and you have thrown in this third activity for J.F.L. mitigating, if you like, the amount of regulation that J.F.S.C. might want to impose. Now, is it appropriate that the government should be funding an activity which is totally legitimate on behalf of the members of J.F.L. to, in effect, mitigate the amount of regulation that is going on on behalf of its members? In terms of the funding, in terms of the accountability, in terms of activities it seems to me that that is a very dark grey area. How do you feel about accountability and funding that activity?

Senator T.A. Le Sueur:

You suggest mitigation in the sense that J.F.L. would lobby to have less regulation, I suggest they might be lobbying to have better regulation. Better does not necessarily mean more but it can deliver the same thing in different ways. I think more brains that apply to a particular forum, the more chance you have got of coming up with a

better solution. Again, at the start of the meeting you asked me my view of J.F.L., I do not know that that would necessarily be J.F.L.'s understanding or my personal observation of how I saw J.F.L. being able to add value for money.

Mr. M. De Forest-Brown:

It certainly is what happens now in that the industry will regularly use the word "lobby" but I would use the word "debate" regulation with the regulator. If we look to the U.K. market there is a very clear case recently where industry and the regulator debated at great length about Article 14 which was about listing particulars for investment companies and notwithstanding the regulators view, the government sided with the industry view and said in the long-term interests of the U.K. we think that this is the right course to take. That is exactly the way it should be but ultimately --

Deputy G.P. Southern:

I absolutely agree, but then is the government funding the activities of that particular group of members?

Mr. M. De Forest-Brown:

In that situation effectively what is --

Deputy G.P. Southern:

It is not?

Mr. M. De Forest-Brown:

No, in that situation what the government is doing, has done with the benefit of hindsight, it has outsourced the thinking about the regulation because government does not have resources to challenge the regulator itself to think is that the right thing to make benchmark studies against other jurisdictions and so on. We simply do not have that resource in house. Effectively that is done for us to keep an eye on that the regulation is appropriate, it is the most effective compared to other jurisdictions. So in that case effectively industry are doing the task that government has outsourced.

Deputy G.P. Southern:

Yes, and while I can accept what you are saying, that is an legitimate activity my question comes back to, is it a legitimate activity acting on behalf of its members in their interests for the government to be funding that activity. That is where the grey area comes in, accountability, service level agreement, call it what you like, when a body like J.F.L. promoting Jersey as a finance sector, no problem, we both benefit from it. Lobbying or acting on behalf of its members to (a) mitigate regulation, which is a cost to the industry or (b) acting to persuade government itself to introduce particular legislation that it can make money out of, my question is it proper that government is funding those activities, those subsidiary activities?

Senator T.A. Le Sueur:

I do not see why not. If you pursue what we were just saying about getting the best possible regulations, regulations worthy in the best possible way, that is a decision which ultimately government takes. We as States Members pass the laws and we do that on the basis of best advice and information we have available to us.

Deputy G.P. Southern:

You are turning the arguments into one of quality of regulation. That is for the J.F.S.C. to decide surely as an independent body?

Senator T.A. Le Sueur:

It is for the States to decide.

Deputy G.P. Southern:

If we are talking about quantity of regulation then that is a different issue surely?

Senator T.A. Le Sueur:

No, I think the quality of regulations is up to the States to decide. Quantity may be up to the Economic Development Department of the J.F.S.C. to suggest what they think is appropriate.

Deputy G.P. Southern:

I hope it is the J.F.S.C.

Senator T.A. Le Sueur:

Yes, I think in many cases J.F.S.C. will see the need for regulation in a certain area. The Attorney General might see the need for regulation in a certain area. Economic Development may see the need for regulation in a certain area and J.F.L. may see the need. But where the decision is ultimately made is in the States Chamber. We will decide whether we want to pass a law to omit, say, limited liability partnerships --

Deputy G.P. Southern:

Please do not tempt me to lift that stone.

Senator T.A. Le Sueur:

Okay. But it is the States that decides the size, scope and detail of any regulations. If we can do that with better advice, with broader advice, then is that not worth investing funds into?

Deputy G.P. Southern:

Nobody wants to use the word "lobbying" but I use it regularly. If J.F.L. is not lobbying on behalf of its members, what are they paying their funds for?

Senator T.A. Le Sueur:

You seem to regard this as a confrontational approach, whereas I think how I see it is the J.F.L. is a complimentary approach.

Mr. M. De Forest-Brown:

We are all interested in making sure Jersey is as effective as possible. Now, that is a difficult line to take at times.

Deputy G.P. Southern:

That is a big statement, Jersey is as effective as possible. Is that what you meant to say?

Mr. M. De Forest-Brown:

Yes. Jersey is putting itself in a position where we are best able to promote it as an international finance centre. That is what I mean by that phrase. There are multiple

aspects of that, it is about having the right range and quality of industry and the range and quality of the professionals, the range of services, it is having the right sort of government, the right sort of stability of government, the right policies of government, it is about having the right balance of regulation. They are all subtly intertwined and the trick is getting exactly the right balance. Now, a particular balance of those elements more favour certain types of business or other types of business. If we were to turn ourselves into a manifest secrecy jurisdiction that may encourage a different sort of business. We have chosen to set ourselves out as highly regulated so the general model that we have is that we are a highly regulated jurisdiction and we believe that is in the long-term benefits of the Island. Ultimately the sanction of, or the choice of, which laws are accepted is obviously a matter for the States Assembly. The J.F.S.C. as the independent regulator will put forward their case on what they think and, certainly in my time here, 99 times, if not more, out of 100 those are accepted by the government because they are taking the advice of their independent regulator. But it is within the powers of the Assembly ultimately to say: "Well, we do not agree with you on this point, we will choose something different." What might happen then, I have no idea. Maybe the board of the commission would have to resign or something but it is about taking the advice of an independent regulator but there are always multiple views. In this case government do not have a think-tank in there to say: "Now hold on a moment, is this right? Is this really what we really want to do? Are we choosing exactly the right path?" What we benefit from is industry - now I do not see this as lobbying - informing the debate if they have a counter view by challenging that position if they so feel. In that analysis government will look at that and choose which --

Deputy G.P. Southern:

Following the subsuming of J.F.I.A. (Jersey Finance Industry Association) within J.F.L., and J.F.I.A. were the trade body for the industry with a role obviously to act in its members' interests to lobby, to act, on government and elsewhere to ends in the interests of its members, and since subsuming that in J.F.L. my question is should we be funding that sort of activity which should be funded only by its members?

Mr. M. De Forest-Brown:

As I think we have discussed this morning, the quantum of amount the members contribute more than covers that element which we believe is the lobbying element, certainly in your terminology, lobbying of government. In terms of lobbying of the regulator I think that we see that as part of outsourcing government's thinking resource, its debating resource, its benchmarking resource --

Deputy G.P. Southern:

When you say "we" which hat do you do you have on?

Mr. M. De Forest-Brown:

I am speaking with a government hat here. I think that we need that additional input into the debate so that we get a balanced debate on regulatory matters so we have that view, which is why government sits down regularly with industry and the regulator in tripartite sessions to make sure that we are all getting to the right place.

Deputy G.P. Southern:

That is called information and not lobbying? That presumably then is the answer that the Minister was going to give, or something very close to it?

Senator T.A. Le Sueur:

Yes, as I say I do not see this as a confrontation approach, I see this as being the way to achieve the best possible result for all parties concerned.

Deputy G.P. Southern:

Okay. You do not see any potential for conflict there?

Senator T.A. Le Sueur:

I can see your line of thinking, I just do not agree with it.

Deputy G.P. Southern:

Right. So you do see there is potential?

Senator T.A. Le Sueur:

Like any lawyer you can always see 2 sides of an argument but I think the direction in which this discussion was trying to be driven is a misleading one. I do not see other than that the tripartite approach is beneficial to the Island, beneficial to the regulator and beneficial to industry.

Deputy G.P. Southern:

So you are totally comfortable with the position right now?

Senator T.A. Le Sueur:

So I am totally comfortable with the position right now.

Deputy G.P. Southern:

Okay, that is very clear. Good. Judy, want to say anything?

Deputy J.A. Martin:

No.

Deputy G.P. Southern:

Kevin? No? We have kept you longer than I expected to.

Senator T.A. Le Sueur:

That is all right, it is nice and warm in here.

Deputy G.P. Southern:

Perhaps I always do. Nevertheless, I thank you for your time and your contribution, albeit that you were fairly peripheral to the setting up of J.F.L. We will explore wider issues in the New Year and perhaps you may want to contribute then as well. Or perhaps not. **[Laughter]**

Senator T.A. Le Sueur:

Thank you all.