THE STATES assembled on Tuesday, 28th November 2000 at 9.30 a.m. under the Presidency of the Greffier of the States, Miss Catherine Mary Newcombe.

All members were present with the exception of -

Senator Corrie Stein - out of the Island Jacqueline Jeannette Huet, Deputy of St. Helier - out of the Island Alan Simon Crowcroft, Deputy of St. Helier - ill Jennifer-Anne Bridge, Deputy of St. Helier - ill.

Prayers

Subordinate legislation tabled

The following enactments were laid before the States, namely -

Road Traffic (Saint Lawrence) (Amendment No. 13) (Jersey) Order 2000. R & O 122/2000.

Financial Services (Trust Company Business (Registration and Fees)) (Jersey) Order 2000. R & O 123/2000.

Financial Services (Trust Company Business (Exemptions)) (Jersey) Order 2000. R & O 124/2000.

Financial Services (Trust Company Business (Accounts, Audit and Reports)) (Jersey) Order 2000. R & C 125/2000.

Financial Services (Appointment of a Manager) (Jersey) Order 2000, R & O 126/2000.

Financial Services (Amendment) (Jersey) Order 2000. R & O 127/2000.

Matters presented

The following matter was presented to the States -

Jersey Council for Safety and Health at Work: report for the period 1st July 1998 to 30th June 2000 - R.C.40/2000.

Presented by the Employment and Social Security Committee.

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

Matters lodged

The following matters were lodged "au Greffe" -

Draft Family Allowances (Jersey) Regulations 200- - P.220/2000. Presented by the Employment and Social Security Committee.

Health Services Disciplinary Tribunal: appointment of members - P.221/2000.

Presented by the Employment and Social Security Committee.

Arrangement of public business for the next meeting on 5th and 6th December 2000

THE STATES confirmed that the following matters lodged "au Greffe" would be considered at the next meeting on 5th and 6th December 2000 -

Budget 2001.

Lodged: 14th November 2000. Finance and Economics Committee.

Draft Income Tax (Amendment No. 21) (Jersey) Law 200--P.208/2000.

Lodged: 14th November 2000.

Finance and Economics Committee.

Draft Public Service Vehicles (Fees) (Amendment No. 11) (Jersey) Regulations 200 - P.199/2000.

Lodged: 7th November 2000.

Home Affairs Committee.

Draft Hire Cars (No. 10) (Jersey) Regulations 200- - P.200/2000.

Lodged: 7th November 2000.

Home Affairs Committee.

Public Employees (Contributory Retirement Scheme) Committee of Management: membership - P.214/2000.

Lodged: 21st November 2000. Human Resources Committee.

Parish Rate Appeal Board: appointment of member - P.215/2000.

Lodged: 21st November 2000.

Finance and Economics Committee.

Draft Electronic Communications (Jersey) Law 2000 (Appointed Day) Act 200- - P.216/2000.

Lodged: 21st November 2000.

Industries Committee.

Provision of flights to the Island "at reasonable cost" - questions and answers (Tape No. 622)

Deputy Celia Joyce Scott Warren of St. Saviour, asked Deputy Alastair John Layzell of St. Brelade, President of the Jersey Transport Authority, the following questions -

"1. In P.123/94 presented on 27th September 1994 which established the present responsibilities of the Jersey Transport Authority, the interest of users of air transport were described as follows -

'for local residents and businessmen the requirement is for a sufficient capacity on a daily, year round, basis to provide for on demand travel at reasonable cost on services linking the island with a number of centres of population in the United Kingdom and with the other Islands'.

The proposition further stated that one of the main aims of the Authority would be to 'secure the lowest fare structure consistent with viable operations'.

In view of the above, would the President explain to members what action the Authority is taking, and intends to take, to ensure the airlines operating to the Island offer flights 'at reasonable cost' when air travel is often very expensive, with mid-week day-return 'economy' fares from Jersey to Gatwick being between £240 and £300 (first flight out and last flight back), and midweek return flights from Jersey to Manchester that cost £346.70?

2. Would the President undertake to put all efforts into encouraging low-cost operators and additional competition for routes between Jersey and the United Kingdom to ensure that airlines operating to the Island offer flights 'at reasonable cost' at all times of the week?"

The President of the Jersey Transport Authority replied as follows -

"1. The Jersey Transport Authority, in its regular meetings with the airlines serving the Island, always has air fares high on the agenda. The concern for air fares is also reflected in the customer charter that airlines are asked to produce when applying for a licence to operate year-round scheduled services to and from the Island.

It is undeniable that the most flexible fares are the most expensive. That is true wherever one goes, not just in Jersey. If islanders are prepared to be flexible about times of travel they can benefit from a whole range of cheaper fares, including £27 single to Southampton, £88.70 return (inclusive of United Kingdom tax and Passenger Service Charges) to Manchester and £62 return (inclusive of United Kingdom tax and Passenger Service Charges) to London Gatwick.

The Authority is very conscious of the impact that the cost of travel can have on Island residents and businesses, and on those wishing to visit the Island. At the same time, it is important that the airlines serving the Island remain viable for, if they are not, service levels will suffer. The Authority has obtained no evidence that the airlines serving the Island are making unreasonable profits. If they were, it is to be expected that other airlines would be pressing for a licence to operate the routes concerned, and offering lower fares as an inducement, and this is not the case. Also, while not wishing to detract in any way from the natural concern at the level of fares charged, it is to be noted that the standard scheduled fare for the Jersey routes is comparable with the same class of fare charged for a similar distance travelled from the United Kingdom to points in Europe.

I can assure members that the Jersey Transport Authority will continue to press the airlines on the subject of air fares, not only about the overall level but also to ensure that when special fares are on offer they are genuinely available.

2. The Jersey Transport Authority has approached a number of low cost operators over the past year to see whether they would be interested in serving Jersey. In particular, following the decision of British Airways to vacate Heathrow, efforts were made to interest the low cost airlines operating out of Stansted Airport in a Stansted - Jersey service. While an initial interest was shown this has not to-date materialised into anything definite.

The Authority understands there could be a number of reasons for this. One is that the aircraft in the airlines' fleets are larger than the expected level of traffic is capable of supporting on a year round basis. A second is that the airlines cannot see a sufficient growth market in prospect in contrast to other destinations. A third is the lack of any financial inducements from the Jersey authorities, inducements which, if offered, would need to be made available to the established operators if a competitive level playing field is to be maintained.

It is worth repeating something which I said concerning Easyjet during the recent debate on the Tourism Strategy. There seems to be a generally held view that the Authority refused an application from Easyjet to operate a low-cost service to the Island from Luton. The fact is that the Authority issued a licence to Easyjet in August 1997 with one way fares between £29 and £69 at the time. In the event, this licence was not taken up.

The Jersey Transport Authority will continue actively to explore the opportunities for low cost travel to and from the Island. At the same time the Authority will have firmly in mind the importance of maintaining year round scheduled services of sufficient capacity and frequency to cater for the wide range of customer needs."

Sale of fireworks - question and answer (Tape No. 622)

Deputy Jeremy Laurence Dorey of St. Helier asked Deputy Alastair John Layzell of St. Brelade, President of the Home Affairs Committee, the following question -

"In view of increasing concerns about public safety and the effect on pets, would the President advise members whether the Committee plans to seek powers, under the Explosives (Jersey) Law 1970 or otherwise, to prohibit the sale of fireworks to the general public?"

The President of the Home Affairs Committee replied as follows -

"I share the Deputy's concern about the prolonged use of fireworks on Guy Fawkes night which, this year, seemed to last for over two weeks. I have arranged for a report to be prepared and discussed by the Committee in due course."

Review of the Regulation of Undertakings and Development (Jersey) Law 1973, as amended - question and answer (Tape No. 622)

The Deputy of St. John asked Deputy Maurice François Dubras, of St. Lawrence, President of the Industries Committee, the following question -

"In view of the fact that the Committee has had responsibility for the Regulation of Undertakings and Development (Jersey) Law 1973, as amended, for the past eleven months would the President advise the Assembly -

- (a) whether the Committee proposes to ask the States to review the provisions of the aforementioned Law and if the answer is in the affirmative, would be advise members when this will take place?
- (b) whether the Committee is aware that considerable hardship is being felt by businesses in the Island because of the manner in which this Law is operating?"

The President of the Industries Committee replied as follows -

- "(a) As stated in our response to a similar question from the Deputy of St. John on 10th October of this year, I will say again that the Committee has no immediate plans to amend the provisions of the Regulation of Undertakings & Development Law itself. The Committee is, however, reviewing fully the policies under which it administers the Law.
 - Again, as previously stated in the Assembly and as I have said on several occasions elsewhere, the issues are complex and the Committee needs to be sure that it gets its position right, having regard to all relevant policy considerations. I hope to be in a position to announce the outcome of the review in the New Year.
- (b) My Committee is very well aware of the wide range of views expressed by businesses as well as others in the community about the Law. As the Vice-President said in his reply to question 2 on 10th October 2000, we take all views very seriously indeed. However, as most business associations consulted understand, there are several factors at play which contribute to the current situation, the main one being, very simply, that demand for labour in many business sectors exceeds supply. That is an economic policy issue. Our review is but one element in tackling this wider problem."

Number of companies registered as limited liability partnerships - question and answer (Tape No. 622)

The Deputy of St. John asked Senator Frank Harrison Walker, President of the Finance and Economics Committee, the following question -

"Would the President inform the Assembly -

- (a) how many companies have been registered under the Limited Liability Partnerships (Jersey) Law 1997?
- (b) the cost of producing this Law?"

The President of the Finance and Economics Committee replied as follows -

- "(a) There are no Limited Liability Partnerships (LLPs) registered in Jersey. At the time the Limited Liability Partnerships (Jersey) Law 1997 was passed by the States there were reasonable grounds for supposing that the registration of LLPs could bring substantial benefit to Jersey. In the event, despite the passage of the legislation, no LLP has been registered.
- (b) I am not able to answer this question as no record was kept of the time spent by civil servants in the drafting of the legislation. Such information could be estimated, but would require a time consuming and in itself a very costly effort to provide an answer."

Population policy - question and answer (Tape No. 622)

The Deputy of St. John asked Senator Pierre François Horsfall, President of the Policy and Resources Committee, the following question -

"Would the President advise members when the Committee will bring to the States for debate a population policy, given that it is nearly twelve months since the States were assured by the Committee that a policy was soon to be revealed?"

The President of the Policy and Resources Committee replied as follows -

"I can assure the Deputy that if this was an easy subject he would have seen a further report from my Committee a good while ago. But in fact it is a very difficult and complex subject, which the Policy and Resources Committee has been grappling with - amid many other pressures - over some considerable time. The one issue that the Committee has decided, however, is that it should not bring forward any policy proposition until it is satisfied that it has received and analysed all the relevant information. It is also quite clear that "population" is not an issue or a concept that can be treated in isolation; it is part of the whole policy 'jigsaw'.

As recently reported, the latest manpower returns indicate that the working population continues to decline so the situation is not 'out of control' as some would suggest.

The Committee will shortly have further information available from a number of sources and these include -

- (a) the Strathclyde University economic model;
- (b) a preliminary report from De La Rue on the Smart Card Project;
- (c) the Industries Committee's review of the Regulation of Undertakings Law;
- (d) the Couttie Housing Needs report as commissioned by the Housing Committee;
- (e) more information on public sector employment.

As soon as appropriate analysis and study is complete, the Committee will come to the States with well considered policy options so that a meaningful debate can be held."

Installation of and Education Wide Area Network - question and answer (Tape No. 622)

The Deputy of St. John asked Senator Leonard Norman, President of the Education Committee, the following question -

"Currently the Education Committee is investigating Education Wide Area Networks (WAN). Would the President inform members -

- (a) where the main link/transmitter/receiver is installed?
- (b) when the system will be up and running?
- (c) the total projected cost of the system?"

The President of the Education Committee replied as follows -

- (a) Guiton House, Five Oaks.
- (b) June 2001.
- (c) £524,590.16p.

Income tax relief on mortgages and loans - statement

Senator Frank Harrison Walker, President of the Finance and Economics Committee, made a statement in the following terms -

"As members will already be aware the Finance and Economics Committee yesterday announced that it had decided to defer its Budget proposals to reduce loan interest relief and to cut the marginal tax rate.

As a result of this decision I will be formally asking members of the States for leave to withdraw Part 3 of P.208/2000, the Draft Income Tax (Amendment No. 21) (Jersey) Law 200-, at the beginning of the Budget debate.

The Finance and Economics Committee fully accepts that we have failed to explain properly the economic justification for our proposals and that the timescale allowed for public debate and understanding of the issues has been unreasonably short.

The Committee acknowledges the very real concerns that have resulted from the way in which our proposals were brought forward and we have apologised for the unnecessary worry that has resulted.

For a number of reasons we have failed to get our message across and we regret that this has led to very real concern among home-owners and potential house-buyers.

I must stress, however, that the members of the Committee genuinely believe that interest relief is inflationary and that it is our intention to bring the issue back to the States as part of a major consultation paper on the Island's fiscal strategy to be published around the middle of next year. This timescale will allow for a calm, considered debate and enable all interested parties to consider carefully the complex issues involved.

The Committee remains convinced that the reduction of interest relief, linked to a number of other measures, will play a key part in making homes more affordable in the long term. House prices have risen four-fold in the last 15 years and we cannot allow this rate of increase to continue.

We are fully aware that a major cause of this problem is the shortage of new homes and we plan to consult widely with other States committees over the coming months, not least with the Housing Committee to ensure that the current £182m building programme which is planned to produce 1,000 new homes is adequate.

It is obviously not possible to say today just how our proposal to phase out interest relief might change in the light of the comments we have received, and after further consultation, we will be re-examining all aspects of the issue, not least the timescale over which any reduction might be introduced.

We are listening and are fully taking into account the views that are being expressed. The reaction of the public over the past fortnight makes it abundantly clear, for example, that ten years is too short a timescale over which to phase out relief entirely and that a much longer period needs to be considered.

My Committee is also grateful for the very helpful suggestions received from States Members, particularly those who have expressed their support for the principle of phasing out loan interest relief but who were opposed to our methods of introducing it and the timescale allowed.

One thing is certain and that is my Committee's firm and united view that in the long term interest relief must be phased out if the States are to succeed in their strategy to bring down the Island's high rate of inflation.

If we fail house prices will continue to escalate and home-ownership will, for many, simply become an impossible dream rather than a difficult but nonetheless attainable reality.

Finally, I would like to express my gratitude to Deputy Alan Breckon for arranging the public meetings and for his skilled chairmanship."

Deputy Jennifer-Anne Bridge of St. Helier - attendance

Deputy Jennifer-Anne Bridge of St. Helier returned to the Chamber prior to the consideration of the Draft Competition Regulatory Authority (Jersey) Law 200- and was present for the remainder of the meeting.

Draft Competition Regulatory Authority (Jersey) Law 200- - P.191/2000, amendments P.209/2000, second amendments P.210/2000, third amendments P.211/2000

THE STATES commenced consideration of the draft Competition Regulatory Authority (Jersey) Law 200- and adopted the preamble.

Articles 1 to 3 were adopted, the States having accepted amendments of Deputy Michael Edward Vibert of St. Brelade that in paragraph (1)(a) of Article 3 for the word "Committee" there should be substituted the words "States, on the recommendation of the Committee", in paragraph (1)(b), for the words "that it has" substitute the words "that has been"; and in paragraph (3) of Article 3, after the word "appointments" there should be inserted insert the words "that the Committee has made under this Article".

Members present voted as follows on the amendment-

"Pour" (37)

Senators

Le Maistre, Quérée, Syvret, Kinnard, Le Sueur, Le Claire.

Connétables

St. Peter, Grouville, St. Helier, St. Martin, St. Ouen, St. John, Trinity, St. Saviour, St. Clement, St. Brelade, St. Lawrence, St. Mary.

Deputies

H. Baudains(C), St. Mary, S. Baudains(H), Trinity, Duhamel(S), Layzell(B), Breckon(S), Grouville, S Martin, St. John, Le Main(H), Vibert(B), St. Ouen, G. Baudains(C), Dorey(H), Scott Warren(S), L Hérissier(S), Fox(H), Martin(H).

"Contre" (12)

Senators

Horsfall, Bailhache, Norman, Lakeman.

Deputies

Routier(H), St. Peter, Dubras(L), Troy(B), Voisin(L), Farnham(S), Ozouf(H), Bridge(H).

Article 4 was adopted, the States having accepted amendments of Deputy Michael Edward Vibert of St. Brelade that in paragraph (2) there should be deleted the words "by instrument in writing"; in paragraph (4), for the words "The Committee may revoke the appointment of a member if the Committee is satisfied" there should be substituted the words "The States may, on the recommendation of the Committee, revoke the appointment of the member appointed as Chairman if the States are satisfied" and after paragraph (4) there should be inserted the following paragraph -

"(5) The Committee may revoke the appointment of a member, other than the member appointed as Chairman, if the Committee is satisfied that any of the circumstances referred to in paragraph (4)(a) - (d) apply to the member."

The meeting then adjourned.

Change in Presidency

The meeting resumed after the lunch adjournment under the Presidency of the Bailiff, Sir Philip Bailhache.

Connétable of St. John - retirement

The Bailiff referred to the impending retirement of the Connétable of St. John, and thanked him on behalf of the States for his services to the Assembly.

Draft Competition Regulatory Authority (Jersey) Law 200- - P.191/2000

THE STATES resumed consideration of the draft Competition Regulatory Authority (Jersey) Law 200- and adopted Article 5, having rejected amendments of Deputy Alan Breckon of St. Saviour that after paragraph (2) there should be added the following paragraph -

"(3) The payments and provision made under this Article shall be itemised in the accounts of the Authority required under this Law.".

Members present voted as follows on the amendment -

"Pour" (9)

Connétables

Trinity, St. Mary.

Deputies

Duhamel(S), Breckon(S), St. John, G. Baudains(C), Dorey(H), Scott Warren(S), Martin(H).

"Contre" (36)

Senators

Horsfall, Le Maistre, Quérée, Bailhache, Syvret, Norman, Kinnard, Le Sueur, Lakeman.

Connétables

St. Peter, Grouville, St. Helier, St. Martin, St. John, St. Saviour, St. Clement, St. Brelade, St. Lawrence.

Deputies

- H. Baudains(C), St. Mary, Trinity, Routier(H), Layzell(B), Grouville, St. Martin, Le Main(H), Vibert(B) St. Peter, Dubras(L), Troy(B), Voisin(L), Farnham(S), Le Hérissier(S), Ozouf(H), Fox(H), Bridge(H).
- THE STATES commenced consideration of Article 6 and of an amendment of Deputy Jeremy Laurence Dorey of St. Helier that for paragraph (6) there should be substituted the following paragraph -
 - "(5) The Authority shall have such powers as are reasonably necessary for the carrying out of its functions or incidental to their proper discharge."

After discussion the States granted leave to Deputy Dorey to withdraw the amendment and Article 6 was adopted.

THE STATES, granted leave to Deputy Jeremy Laurence Dorey of St. Helier to withdraw an amendment that Article 7 be deleted, and adopted the Article.

THE STATES, adopted Article 8, having granted leave to Deputy Alan Breckon of St. Saviour to withdraw an amendment that after paragraph (2) there should be added the following paragraph -

"(3) The remuneration and payments made in accordance with terms, schemes, and arrangements, established under this Article shall be itemised in the accounts of the Authority required under this Law.".

Article 9 was adopted.

Article 10 was adopted, the States having adopted an amendment of Deputy Jeremy Laurence Dorey of St. Helier that -

- (a) in paragraph (2) for the words "such of the Authority's functions as are conferred on it by or under any Law other than this Law." there should be substituted the words "the Authority's licensing or regulatory functions or its functions under Article 6(2) or (4).";
- (b) in paragraph (4), there should be deleted the words "in the performance of its functions".

Members present voted as follows on the amendment -

"Pour" (22)

Senators

Kinnard, Le Sueur.

Connétables

St. Peter, St. Helier, St. Martin, St. John, Trinity, St. Clement, St. Brelade, St. Lawrence, St. Mary.

Deputies

H. Baudains(C), Trinity, Duhamel(S), Breckon(S), St. Martin, St. John, St. Ouen, G. Baudains(C), Dore (H), Scott Warren(S), Martin(H).

"Contre" (15)

Senators

Horsfall, Bailhache.

Connétables

St. Saviour.

Deputies

Routier(H), Layzell(B), Grouville, Le Main(H), St. Peter, Dubras(L), Troy(B), Voisin(L), Farnham(S), Le Hérissier(S), Ozouf(H), Fox(H).

Articles 11 to 13 were adopted, the States having rejected amendments of Deputy Jeremy Laurence Dorey of St. Helier to Article 13 that -

- (a) in paragraph (3), for the words "Finance and Economics Committee", there should be substituted the word "States";
- (b) in paragraph (3), after the word "Authority" there should be inserted the words "and the Finance and Economics Committee";
- (c) paragraph (4) should be deleted.

Members present voted as follows on the amendments -

"Pour" (17)

Senators

Kinnard, Le Sueur.

Connétables

St. Peter, St. Helier, Trinity, St. Clement, St. Brelade, St. Mary.

Deputies

H. Baudains(C), Trinity, Duhamel(S), Breckon(S), St. John, G. Baudains(C), Dorey(H), Scott Warren(S) Martin(H).

"Contre" (23)

Senators

Horsfall, Bailhache, Syvret, Norman, Lakeman.

Connétables

St. Martin, St. John, St. Saviour, St. Lawrence.

Deputies

St. Mary, Routier(H), Layzell(B), St. Martin, Le Main(H), Vibert(B), St. Peter, Dubras(L), St. Ouen, Trc (B), Voisin(L), Farnham(S), Le Hérissier(S), Ozouf(H).

Article 14 to 18 were adopted, the States having granted leave to Deputy Jeremy Laurence Dorey of St. Helier to withdraw an amendment that Article 15 should be deleted.

THE STATES commenced consideration of Article 19 and of an amendment of Deputy Jeremy Laurence Dorey of St. Helier that in Article 19(2)(c), there should be deleted the words "the Authority," where firstly occurring. After discussion the States granted leave to Deputy Dorey to withdraw the amendment and Article 19 was adopted.

THE STATES adopted Article 20, having rejected an amendment of Deputy Jeremy Laurence Dorey of St. Helier that for the Article there should be substituted the following Article -

"ARTICLE 20

Regulations

- (1) The States may by Regulations make provision for the purpose of carrying this Law into effect.
- (2) Regulations made under this Law may -
- (a) make different provision in relation to different cases or circumstances; and
- (b) contain such transitional, consequential, incidental or supplementary provisions as appear to the States to be necessary or expedient for the purposes of the Regulations.".

Members present voted as follows on the amendment -

"Pour" (21)

Senators

Syvret, Kinnard.

Connétables

St. Peter, St. John, Trinity, St. Clement, St. Lawrence, St. Mary.

Deputies

H. Baudains(C), St. Mary, Trinity, Duhamel(S), Breckon(S), S. John, St. Ouen, G. Baudains(C), Dor (H), Scott Warren(S), Le Hérissier(S), Fox(H), Martin(H).

"Contre" (24)

Senators

Horsfall, Le Maistre, Quérée, Bailhache, Norman, Le Sueur.

Connétables

Grouville, St. Helier, St. Martin, St. Saviour, St. Brelade.

Deputies

Routier(H), Layzell(B), Grouville, St. Martin, Le Main(H), Vibert(B), St. Peter, Dubras(L), Troy(B) Voisin(L), Farnham(S), Ozouf(H), Bridge(H).

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Competition Regulatory Authority (Jersey) Law 200- .

Former d'Hautrée School, St. Saviour: designation for use as Magistrate's Court - P.207/2000

THE STATES, adopting a proposition of the Legislation Committee and in accordance with Article 1 of the Loi (1853) établissant la Cour pour la répression des moindres délits, designated all, or any part, of the former d'Hautrée School, St. Saviour, as a place for use by the Magistrate's Court.

Comptroller of Income Tax: appointment - P.201/2000

The Bailiff, in pursuance of Article 6(2) of the Income Tax (Jersey) Law 1961, as amended, and in accordance with Standing Order No. 46(2) ordered the withdrawal of strangers and the closing of the doors of the Chamber in order that the appointment of the Comptroller of Income Tax be considered in camera.

THE STATES, having deliberated thereon in camera, proceeded to vote in public assembly and, adopting a proposition of the Human Resources Committee and in accordance with Article 6(2) of the Income Tax (Jersey) Law 1961, as amended, appointed Mr. Malcolm Campbell to the post of Comptroller of Income Tax, with effect from 1st May 2001.

THE STATES rose at 16.45 p.m.

M.N. DE LA HAYE

Deputy Greffier of the States.