

4. Question for Ministers without Notice - Minister for Economic Development

The Bailiff:

The second question period is of the Minister for Economic Development. I invite questions.

4.1 Deputy G.P. Southern:

Will the Minister inform Members whether he is now prepared to accept my invitation to meet the Economic Affairs Scrutiny Panel, in public, to discuss the details of his draft business plan 2008-2010, and the Enterprise Business Development Strategy. If not, what exemptions does he consider apply to justify secrecy for all or part of these 2 topics?

Senator P.F.C. Ozouf (The Minister for Economic Development):

My friend, the Minister for Home Affairs, made some comments in the media at the weekend that we needed to get away from macho politicking and macho positioning. The Deputy is well aware that he can call me to give evidence at any time. I will attend those meetings if it is a properly organised and properly called for meeting. I would inform the Assembly, that there was some media coverage of an issue of a meeting which we had invited the Scrutiny Panel to attend for us to give him briefings on. They were confidential because we were giving confidential business information. If the Chairman wishes to invite me to give evidence on my business plan on my department's activities of course I will attend.

4.2 Deputy S.C. Ferguson:

I am glad to hear that the Minister will be attending with the Economic Affairs Scrutiny Panel. I think it will clear the air considerably. I wonder if the Minister would outline to the House what the circumstances were under which the coffee bar contract was awarded to an overseas company? Was it not offered to local businesses?

Senator P.F.C. Ozouf:

I would start by saying I thank the Chairman of the Scrutiny Panels for helping to deal with the issues of the Scrutiny Panel. I hope that she will continue to have an oversight of the behaviour of the Chairman and the Panel. **[Laughter]** I wish to be scrutinised possibly. In relation to the second question, I can inform the Deputy that the decision for the awarding of a Starbucks café at the airport was one for the operator - that is Alpha Catering - that has the contract, which was a contract of longevity agreed for by previous Harbours and Airports Committee. It was their decision. I accept the arguments and I accept the concern that she has, and other people do, that other local companies cannot, at the moment, operate within the airport. A review is currently being undertaken by the J.C.R.A. (Jersey Competition Regulatory Authority) and I am in discussions with my Assistant Minister, and the Airport Director, of the consequences of the J.C.R.A. advice.

4.3 Senator L. Norman:

Could the Minister please say what progress is being made to resolve the fishing dispute with Guernsey, following the recent successful appeal of the Jersey Fishermen's Association to the Privy Council?

Senator P.F.C. Ozouf:

Yes, the announcement of 2nd May effectively meant that the Guernsey Ordinance of the 3 to 12 miles was invalid and has been struck down. Guernsey remains able to legislate and put arrangements in place for the 0 to 3. My officials have been in contact with D.E.F.R.A. (Department for Environment, Food and Rural Affairs). It is now for the U.K. to bring forward a licensing system. We need, obviously, to support the U.K. in bringing forward a licensing scheme for the 3 to 12 mile zone. I personally would like to see a situation where Guernsey, themselves, have their territorial waters extended to 12 miles. We shall do everything possible to help Guernsey, but we want to protect our own historic fishing rights for Jersey fishermen in

Guernsey waters in the 3 to 12. That is the position of Jersey. I believe that that is the position of the U.K. We will be working with the U.K. to find an acceptable way forward.

4.4 Deputy R.G. Le Hérissier:

Does the Minister, on mature reflection, feel that the powers given to the J.C.R.A. - the role that the law requires it to play, and the fact that it has resulted in the possibility of 4 mobile telephone operators, with 4 sets of aerals which have been such an irritation and such a problem to his dearly esteemed colleague, the Minister of Planning - does he feel that this requires a re-think of the well-meaning approach he took originally to the J.C.R.A., that we have now been left with 4 possible sets of masts?

Senator P.F.C. Ozouf:

Well, the first thing I would say is that we have 3 sets of masts. I gave evidence to - I thought - a very helpful and thoughtful review about the mobile phone mast issue. When competition was envisaged I thought that we were going to have innovative competition and I have always had that view. I am currently having discussions with the Treasury Minister about the important issue of infrastructure sharing. That is a trick that I do not think we have grasped yet in Jersey. I think there are legitimate questions about having... and the Planning Minister and myself have been faced, effectively, with decisions that have been made by our predecessor Committees. No directions were given by the previous E.D.C. (Economic Development Committee) on infrastructure sharing and the J.C.R.A. has gone about that without, effectively, political instruction. That is being changed. I am in discussion with my friend, the Treasury Minister, on the issue of infrastructure sharing. At the heart of it, that is how I believe competition should work, with infrastructure to be shared by operators. It is difficult and it is not without challenge but, certainly, it is an issue that I am looking into and I have also agreed with virtually all of the recommendations of the Mobile Phone Review Panel's conclusions.

4.5 Deputy P.V.F. Le Claire:

Could I ask the Minister if he would undertake to investigate the issue of light aircraft and commercial aircraft flying low over the centre of St. Helier, possibly constituting a risk to the businesses and the residents, and whether or not it is possible to exclude those practices in his role in charge of the airport, as it has been raised to me as a concern.

Senator P.F.C. Ozouf:

I think the quick answer is, yes, I am happy to deal with the Deputy's concerns and will arrange a meeting with the Airport Director and my Assistant Minister.

4.6 Connétable A.S. Crowcroft of St. Helier:

Would the Minister like to comment on the recent I.O.D. (Institute of Directors) Conference on St. Helier, which was attended by several Members of the Assembly? Would he agree with me that it was an extremely useful event, and that the I.O.D. and the sponsors should be congratulated for it? Would he comment, in particular, on the view expressed by the majority of those present that a supermarket on the Waterfront is something that he should not be encouraging?

Senator P.F.C. Ozouf:

May I congratulate the Constable and the other people that were on the panel. I attended the I.O.D. event and I thought that his contribution about a vision for St. Helier, and Mr. Mike Waddington's vision of a delightful St. Helier were absolutely inspirational. His comments were welcome and I warmly endorse them in terms of the importance of the regeneration of town. If we are to develop the economy, if we are to grow the economy, it is in St. Helier that we have a fantastic opportunity to regenerate the existing part of town; to deal with West of Albert and also East of Albert. I entirely agree with all of the sentiments and, indeed, are working with him and

the urban task force with the Chief Minister, Planning Minister and Transport and Technical Services Minister to deliver that. On the issue of a supermarket on the Waterfront, let us be clear. I think, the question was: a supermarket on the Waterfront, not whether or not another supermarket was required. I maintain the view that you need 3 operators to have vitality and competition. No doubt the Planning Minister will be considering the response of the I.O.D. and I will be too. The retail strategy is an incremental one. I will also be announcing, in the next few days, a more detailed consumer survey so that we can be more understanding. I think we are already understanding what consumers want, but I want to further understand what consumers want in the important area of supermarket retailing.

4.7 Deputy A.D. Lewis of St. John:

In the past the Minister has been a great advocate of greater co-operation with Guernsey. In particular, does he still advocate the possibility of a joint regulator and, if so, will he be pursuing this matter any further?

Senator P.F.C. Ozouf:

I think I also agree with the Deputy of St. John, C.I. integration - C.I. working together - has cost advantages and, effectively, means that we can both punch above our weight if we work together. The issue of a common regulator is one that I also aspire to, in terms of telecoms and competition. Unfortunately, my opposite number in Guernsey does not share my view of the importance of tough anti-trust competition laws, which I believe are benefiting the economy and one of the reasons why we are seeing lower R.P.I. (Retail Price Index) figures than we have seen for some time by reference to the U.K. I will continue to try and work with my opposite number in Guernsey for a common regulator. I am sure that the Deputy of St. John will be supporting me in those endeavours.

4.8 Deputy J.A. Martin:

In the 2007 Economic Development business plan, there was a scheme to set up a small firms loan guarantee scheme, to allow small businesses access to finance at vital stages. Could the Minister inform the States Assembly how this exactly works, what is the risk to the States and how many firms have taken up the offer of the small loans, and exactly how much it is costing the States at the moment. Thank you, Sir.

Senator P.F.C. Ozouf:

That is a very detailed question and I am happy to table a more detailed answer on exactly the functionality on the small loans guarantee scheme. It was part of a package of measures in order to deliver a more enterprising economy. Effectively, the money that E.D. (Economic Development) is putting in is effectively an annual amount to deal with potential defaults on small loan guarantees. Most of the risk is undertaken by partner banks. It is absolutely vital that businesses and young people and, indeed, older people that want to set up businesses have access to capital. It is by small loans, and small loan guarantees, that we can get people into the aspiration of running their own business. If the Scrutiny Panel - and the Deputy is a member of the Scrutiny Panel - want to come and understand what we are doing in this exciting area, she can see just how many firms are taking up that option. There are many firms taking up this option, not only in agriculture and tourism but across the industry. I think it is one of the most exciting things that we have been doing in the last few months and I am happy to explain that to the Panel.

4.9 Deputy J.A. Martin:

Sorry, Sir, I thank him and I understand it is a very detailed answer. Again, the Minister has invited me to come to him to discuss. As a member of the Scrutiny Panel I thought his offer, earlier, was for him to attend. Could he confirm attendance upon the Scrutiny Panel at a public meeting. Thank you, Sir.

Senator P.F.C. Ozouf:

I am not going to go on about this any more, but I invited the Scrutiny Panel because I did not think the Scrutiny Panel have a wide enough understanding of what we are trying to do in reinvigorating the enterprise economy of Jersey. They did not invite me so I invited myself to attend upon them. If they want to invite me to a public meeting, I will attend, as I have to under this law, under the Standing Orders of the States.

4.10 Deputy G.P. Southern:

The Minister just mentioned the need - I think he said - for 3 members in a particular area to promote competition. Does he not accept that while he may believe that 3 participants in the supermarket sector, for example... the Minister is looking puzzled, I think he referred to 3 competing members in the supermarket sector as being healthy. Despite that belief, does he not believe that the evidence produced by the *Experian Report*, and on which his retail strategy is based, does not support the demand for a third operator in the Island.

Senator P.F.C. Ozouf:

There are 2 issues: there is the issue of the total quantum of retail that is available, and there is the issue of the number of operators. I think the deputy is asking me about the issue of the number of operators. It is my view that the competition conclusions of competition authorities in Australia, and throughout the United Kingdom and other jurisdictions, where they have cited the fact that you need more than 2 operators to get vitality in terms of consumer goods and grocery markets, is the dynamics of what you need in the marketplace. I believe the conclusions of those other competition authorities. I believe that they are relevant to Jersey. I believe the J.C.R.A. also subscribe to those views. I am happy to ask the J.C.R.A. to further confirm that, if the Deputy wishes me to.

4.11 Deputy G.P. Southern:

Supplementary if I may, Sir: does he not accept that those studies refer to much larger economies than ours? We are a tiny economy and, therefore, have to make adjustments to our competition policy.

Senator P.F.C. Ozouf:

The difference is no difference to small market towns, whether they be in the United Kingdom or in other jurisdictions. There is a certain catchment area where people will go and buy their groceries or their consumer goods in a certain area. Jersey is no different. We are a community of 90,000 people. Similar communities in Cornwall will enjoy the opportunity of trading, an opportunity of going to buy in 4 or 5 different retailers, whether they be discounted retailers - which we do not have in Jersey - or 3 or 4 other nationals. The differences are similar. I would ask the Deputy to look at the conclusions of competition authorities elsewhere. We can draw from their experience and understand, perhaps, why our figures and our inflation figures over the years are so much higher.

4.12 The Deputy of St. John:

Does the Minister have any plans to review Jersey's current licensing laws in the interests of the tourism industry and St. Helier's night-time economy, in particular?

Senator P.F.C. Ozouf:

The review of the Licensing Law is something that was discussed with the Minister for Home Affairs and, indeed, the Council of Ministers, when we were discussing her criminal justice strategy. I absolutely agree with her Police Chief and the Home Affairs calls for review of licensing. I believe that there is a case to reform them. I am concerned about the night-time economy and the disturbance of town, and I will be working very closely with the Home Affairs

Minister in progressing the licensing reforms that I think that her Police Chief and she believe in. I look forward to working with the Deputy, too, on the subject.

4.13 Senator J.L. Perchard:

The sinking of the road on the Waterfront would undoubtedly have an effect on the Island's economic development. Is the Minister aware to what extent these works will have and what economic impact they will have, and is the Minister in favour of the proposal to sink the road?

Senator P.F.C. Ozouf:

I am excited and delighted by the Hopkins master plan and everything that is contained with it. I think that this Assembly understands there is a widespread feeling that what we have done on the Waterfront is not what we really aspire to in having the Waterfront. I believe that lowering the road is the key. I believe that having started as previous planning President and having started a process of not approving some of the previous development on the Waterfront, that that was the right thing. I believe I was correct in not approving those. I am excited and potentially delighted by what I see. I further think that the economic prosperity and future of Jersey is absolutely dependent on getting West of Albert right and then moving on to East of Albert and using some of the fruits - as the Constable of St. Helier has said, - from the West of Albert to regenerate town, to reinvigorate it. That is where the fuel for our economic prosperity is coming from. So I wholeheartedly endorse them.

The Bailiff:

That concludes the second question period.