

STATES OF JERSEY

SCRUTINY COMMITTEE

BLAMPIED ROOM, STATES BUILDING

Present: Deputy Rob Duhamel (Review Chairman)
Senator Ted Vibert
Deputy Gerard Baudains
Senator Jean Le Maistre
Deputy Phil Rondel
Deputy Bob Hill
Dr Janet Dwyer (Consultant)

EVIDENCE FROM:

SENATOR P.F.C. OZOUF
(States Member)

on

Monday, 20th September 2004

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DEPUTY DUHAMEL: Welcome. I have to read you the notice. It is important that you fully understand the conditions under which you are appearing at this hearing. You will find a printed copy of the statement I am about to read to you on the table in front of you.

Shadow Scrutiny Panels have been established by the States to create opportunities for training States Members and Officers in developing new skills in advance of the proposed changes of government. During the shadow period, the Panel has no statutory powers and the proceedings at public hearings are not covered by Parliamentary privilege. This means that anyone participating, whether a Panel Member or a person giving evidence, is not protected from being sued or prosecuted for anything said during hearings. The Panel would like you to bear this in mind when answering questions and to ensure that you understand that you are fully responsible for any comments you make.

Following on from our previous meeting, you have been invited here in your capacity as an independent individual States Member. Could you, for the Panel, just to set our minds at rest, actually outline specifically what you would support or do support in agri-environment schemes in general?

SENATOR OZOUF: Thank you. I said that I was going to come today to discuss the world as I saw it in 2002, and I am happy to go through how I saw the world in 2002 and the reasons and the justification for me voting against the policy of the then Agriculture & Fisheries Committee. I hope you would understand that I do not wish to make any comments that would be supportive or otherwise of the current stance of the Environment & Public Services Committee in respect of agriculture. I am happy to talk about the world, which is why ... and I reviewed the transcript of the previous meeting we had and Senator Le

Maistre said it was useful for us to look at the world in 2002, and I am happy to do that. So I assume your question is directed to what I would have supported back in 2002.

DEPUTY DUHAMEL: I think it goes further than that. I mean, one's beliefs don't actually stop at a particular point in time, one would have thought, and, as an independent States' Member, you will be called upon to actually vote in that capacity at a later stage, assuming that you are still in the House when the opportunity arises.

SENATOR OZOUF: Well, if it is helpful, perhaps I would draw your attention, and I'm not sure whether or not the Panel ... I have looked through your transcript and I'm not sure that you have actually ever had a discussion about the amendment that I proposed at the time of the Agriculture & Fisheries' policy. I said actually in my report -- the amendment was subsequently withdrawn -- and I said in my report that (and I quote) "*It is not difficult not to agree with many of the basic policy frameworks set out in the Agriculture & Fisheries' policy report 2001. The realigning of financial aid from production incentives to environmental outputs is, amongst other things, warmly welcomed.*"

Now, from a general point of view, I agree absolutely that subsidies that are directed towards increasing production are not a good idea. I think it is right, where government does find opportunities to have environmental outputs, I think it is appropriate for a government to consider that. At the time of the 2002 debate, I was clearly of the view that I was not supportive of the whole range of policies. We had one vote on the policy and the policy was inextricably linked with a huge request for increased funding. It is that increased funding which I was not prepared to lend my support to. There were elements that I agreed with,

but, because they linked with the financial requirements, I was not prepared to support the policies; and indeed, in the debate which some of the Members of the Panel may remember, I made those points fairly strongly. I thought that it was inappropriate for the States to agree a policy but then not agree the actual funding of it later on and I warned the States. I said it was going to be a very sad state of affairs if the States agreed a set of policies and then didn't actually come up with the cash later.

DEPUTY DUHAMEL: Could I just press you perhaps in your recollection of events and specifically which items did you not support in terms of the £700,000, for example, for the first year funding?

SENATOR OZOUF: This Panel is reviewing not the Agriculture & Fisheries' policy, it is reviewing the Agri-Environment Scheme. I am not sure the question has anything to do with the Agri-Environment Scheme. If we are to have a debate about the whole agricultural policy, which I have got a copy of here, we can do, but I thought that you were actually wanting to talk about the Agri-Environment Scheme.

DEPUTY DUHAMEL: No. You must have made a statement saying that, whereas you did support agri-environment schemes, in this particular case, there were specific items that you couldn't support. What I am attempting to do is to try and get you to explain to this Panel specifically where that support was not forthcoming.

SENATOR VIBERT: Maybe I misunderstood the President, but I seem to think that is not what he said.

DEPUTY HILL: He said "*policy*".

SENATOR VIBERT: I think what he was talking about was the separation of the agriculture policy from the Agri-Environment Scheme.

SENATOR LE MAISTRE: Yes.

SENATOR VIBERT: Am I right?

SENATOR OZOUF: We were invited to vote at the time on Part A of the proposition, which was the whole of the policy. I could not support the policy because there were elements within it that I did not agree with.

SENATOR LE MAISTRE: But can we deal with the agri-environment elements?

SENATOR OZOUF: I recall, Senator, that we were not able to vote on the specific issues contained within the policy. It was one vote, and so I made the point quite strongly in the States' debate, as I recall, that it was the whole weight of the policy approach that your committee put forward at the time that I disagreed with. I also explained to the Assembly quite clearly at the time that I thought that it would be inconsistent to vote against a policy and then go along and actually support individual financial elements of it. Indeed, I thought the States ... I was interested to read a number of the submissions and some of the discussions you have had at the Scrutiny Panel, because I think that some of the discussions that you might have had were not alert to the fact that there was a clear understanding at the time of the States' debate that those votes in favour or otherwise of allocation of money were always going to be subservient to the FSR process.

DEPUTY DUHAMEL: Deputy Rondel?

SENATOR LE MAISTRE: I think that was made clear, if I can just interject, by the President of the F&E Committee during the debate and before the vote was taken. I think he made that quite clear. But what I was hoping we could achieve this morning, which was my understanding of your attendance here, was perhaps to give us your understanding of the Agri-Environment Scheme that was proposed

at that point and whether in fact you supported that, irrespective of your understanding of the vote that you made and the reasons for that. But if we can just focus on the Agri-Environment Scheme itself and your understanding of it and the areas where perhaps you either disagreed, if there were any, or what really was your position, if we can actually strip that out, on the Agri-Environment Scheme?

SENATOR OZOUF: The amendment that I ... I attempted to amend the Agriculture & Fisheries' policy report. I attempted to amend the earlier version and P115. But the advice that I had was that effectively my amendments were pretty well going to take the guts out of the policy and effectively it came to the same as actually a negative.

SENATOR LE MAISTRE: Yes.

SENATOR OZOUF: I did table an amendment. Because of the inability to actually successfully amend it, I eventually put the amendment that was accepted, and that amendment actually constrained the policy to the existing allocation within the Agriculture & Fisheries' budget. Now, if all of these policies would have been able to be met within the existing envelope of existing resources, then there were elements of it that I agreed with. But it was the overall issue. I don't think I can help you much more than to say that it was the whole ---

SENATOR LE MAISTRE: We are looking at agri-environment today.

SENATOR OZOUF: Yes, but I was forced to vote against the whole of the policy because of the cost to it.

SENATOR LE MAISTRE: Right, but can we look at Agri-environment?

DEPUTY DUHAMEL: Deputy Rondel, please?

DEPUTY RONDEL: Yes. In fact you have mentioned it twice now that your amendment ... did I hear you right and if I recall correctly that you withdrew your amendment?

SENATOR OZOUF: I withdrew it for two reasons. The first is that two Members of the Assembly had indicated their intention to lodge the amendment. Therefore, the amendment would not have been able to be debated on that day and effectively would have fallen away. But, in addition to that, I was comforted by the statement made by the President of Finance at the time, and indeed supported by the President of Policy & Resources at the time, that the individual votes on the individual financial aspects, all those elements in Part B, were effectively just to nothing in terms of an actual allocation being made. So my amendment, if I was trying to ensure that there wasn't going to be any additional money in support of the overall policy approach, which was obviously my intention, then I had succeeded.

The only other interesting thing perhaps to note about my amendment was that I did suggest that there should be an ability for the then Agriculture & Fisheries Committee to apply to the Finance & Economics Committee for single non-recurring costs; in other words, single restructuring expenses, which would have been, in my view, useful in actually not ensuring that we continued to fund Agriculture at the levels that the Committee of the day were attempting to achieve.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: Sorry, can I just bring it back to the question that Jean asked, which was okay, it is very clear from what you said that your objection was to the package as a whole and to the financial implications of that, but what were your

specific views on the Agri-Environment Scheme part of the package? Were you supportive of it?

SENATOR OZOUF: I repeat the comments that I made earlier, that I have never believed in government aid being used to attempt to increase production. I think that these are views which are well held by other governments. Certainly the EU is moving away from direct production-led subsidies to ----

DR DWYER: But that is about the other part of the policy, isn't it? That is about the decoupling. What about the Agri-Environment Scheme? That was a separate element?

SENATOR OZOUF: You are pressing me on whether or not I would have supported an agri-environment scheme and I have to say I don't know. I need to restate the fact that such was the whole attitude of the Committee of the day to simply increase government funding, it unfortunately clouded my judgment perhaps some of the virtuous issues within it.

DR DWYER: Okay. So within the proposals for the Agri-Environment Scheme were you aware of the way in which the funding worked for agri-environment? Were you aware of whether this was actually a subsidy to the industry or in fact a cost to the industry?

SENATOR OZOUF: No. There are a number of aspects of the Scheme, as I recall. I recall that the Agri-Environment funding was going to have an element of conditionality on it. The conditionality was, if you had signed up to the scheme, then you would have had to adhere to a certain standard of environmental practice if you were a dairy farmer, etc.

DR DWYER: But that is not what the conditionality would have been.

SENATOR OZOUF: The conditionality was, as I understood it -- if I have misunderstood it, then please forgive me -- but I understood the conditionality was that you actually get aid if you adhere to certain environmental standards.

DR DWYER: That was ... yes.

SENATOR OZOUF: So subsidies.

DR DWYER: The conditionality was that you only got your other subsidies if you signed up to the scheme. That is what conditionality means.

SENATOR OZOUF: Yes, sure, I understand, but there were also issues of conditionality, as far as I understood.

DR DWYER: Basic standards.

SENATOR OZOUF: Basic standards was in the Agri-Environment Scheme. So, in other words, you would not have been able to apply for Agri-Environment Scheme funding if you had not met the basic standards. So, in fact, it is absolutely conditional on you adhering to basic standards. Of course, you are right, over and above that, a conditionality was required in order to get your other subsidies too.

DEPUTY DUHAMEL: Senator Vibert?

SENATOR VIBERT: Do you agree with that situation, that the scheme should not apply unless farmers did meet, first of all, the standards and, secondly, the condition was there they just wouldn't receive any funds unless they signed up to the whole scheme? Did you agree with that position?

SENATOR OZOUF: I can't say whether I agreed or disagreed. My judgment was entirely clouded by the whole policy approach by this Committee. I was sceptical of the policy as a whole because it attempted to find such significant

and pump significantly higher amounts of money into the industry, which I didn't agree with. I didn't actually think that it was going to achieve the objectives.

SENATOR VIBERT: But surely the clouds would have rolled away. That was two of three years ago. Looking back on it now, you were a Member at the time, but the clouds should have gone. What was your views about the conditionality, the importance of conditionality?

SENATOR OZOUF: I repeat again that I was against the whole of the policy approach of the Committee because it sought to meet its objectives by pumping in huge amounts of additional money. I was against the policy because of the whole stance and the whole approach.

SENATOR VIBERT: I am talking about the Agri-Environment Scheme. You do not seem to be able to separate it. Is it difficult for you -- and I can understand the difficulty -- to separate the two things in your mind? In other words, take agri-environment as a totally separate issue and deal with it just as a separate issue. Are you finding it difficult to do that?

SENATOR OZOUF: Unfortunately, Senator, we were not able to have separate debates on the individual policy approach as was in the report. We were faced with one decision, and I sit before you and explain and I have been asked to justify my position in that debate at the time. I am not sure I can help much more than that.

DEPUTY DUHAMEL: Dr Dwyer?

DR DWYER: Sorry, I do want to come back. It is not really to get at you in any sense. This is about understanding about how a process went on and maybe, you know, if this sort of thing were done again, how certain aspects might have been done differently in order to get a different outcome. So it is not a question of

trying to sort of show somebody to be at fault, but it is a question of understanding how decisions were made. In relation to the Agri-Environment Scheme itself, were you aware, for example, of the fact that it was not covering 100% of the costs involved by farmers who undertook to do things and, therefore, in that sense, it wasn't money to the industry?

SENATOR OZOUF: Yes. I was aware that there was a co-payment arrangement in respect of some of the issues to do with some of the elements of the scheme.

SENATOR LE MAISTRE: Well, virtually all of the elements of the scheme had co-payments. So there was actually a cost to the industry. What one is trying to discover is perhaps the driver for disagreement with the scheme, opposition to the scheme, so that one can better understand maybe why it has not gone forward in the present conditions.

SENATOR OZOUF: I made strong ... I had strong views at the time, for example, that there were other ways in which schemes that did have environmental benefits ... I said that I warmly welcomed the move to move production incentives to environmental outputs from production outputs, so my views on that were clear. I was of the view that the Committee should have worked harder in order to re-prioritise their budget in order to move money into environmental outputs. I had strong views at the time that, for example, the costs within the Agriculture & Fisheries Committee could have been reduced. I was told that that was not possible. There were, I recall, one review and then a further review that said clearly (and I read some information over the weekend) that the Committee represented that it was not possible to do so. It is interesting that two or three years on the committees that took over the responsibilities of Agriculture & Fisheries did find that there was significant opportunities to reduce the

administrative cost in the running of that department. At the time, I wonder whether or not there wouldn't have been a great deal more support for the policy and indeed some of the elements such as the Agri-Environment Policy, because there would have been the recognition that one could have bared down on the costs of the running of the department and redirected those resources into environmental areas within the budget and then maybe we would have been dealing with a different thing. But we weren't, we were looking at a committee that wanted to maintain the existing budget within the Agriculture & Fisheries Committee and fund all of these new areas, of which agri-environment was over and above that. That is what I could not agree with.

DEPUTY DUHAMEL: Senator Vibert?

SENATOR VIBERT: You have actually mentioned, and it has been mentioned previously by the President who was with us earlier, Deputy Voisin, whether concentration has been on money for agriculture. Did you ever consider that it was actually money to benefit the look of the Island of Jersey, for the benefit of the people of Jersey, rather than as an agricultural scheme to help agriculturalists?

SENATOR OZOUF: Your question ... may I make sure I understand the question? Your question is, was I aware that the allocation of monies within the Agri-Environment Scheme would have had a benefit to the visual appearance of the countryside. **(Pause)** I support government subsidies that achieve environmental outputs. What I could not support was maintaining the status quo of production-led subsidies, which this Committee were attempting to do, maintaining the existing inefficiency of the operation of the Howard Davies Farm and not make any of the changes. If this had been an issue of reprioritising those resources, then, of course, my beliefs, well known to Members, will have led to

no doubt supporting issues on environmental output. I agree that there were and are improvements that can be made in environmental standards, of which some of the elements such as were contained within the Agri-Environment Scheme at the time, such as slurry stores etc, of course they will have benefits. But they could not be funded, and they should not have been funded, over and above the existing budget allocation.

SENATOR LE MAISTRE: Can I pick up a point of correction perhaps? You said that the Committee of the day supported production-led subsidies. In fact, it is the opposite. I invite you to comment on that. In fact the proposition policy before the States, which has been implemented by the present EDC Committee, was that it moved away from production-led to area and headed claims. In other words, it decoupled from production.

SENATOR OZOUF: You may well say that, Senator, but, as the previous President of the Committee, you were asking for dramatically increased subsidies to maintain the status quo within the industry. I argued very much in favour of restructuring the industry. I thought that there was a strong case to follow the example that was set by the dairy industry, which was actually to reduce the size of the dairy industry and help them once they had achieved a production level that was sensible and there wasn't production of milk going to waste and then the industry deserved assistance. But, to maintain and to keep an industry in aspic, which I believe that the sum total of the policy approach was doing, was wrong. You could argue -- you will argue, no doubt, Senator, because you and I have crossed swords on these issues a long time -- I argued that the sum total of the policy approach at the time was keeping the industry in aspic.

SENATOR LE MAISTRE: Yes, the point I am actually focussing on is your statement that the policy being put forward supported production-led subsidies. In fact, the Policy Report proposed a decoupling, which was put into place by Deputy Voisin in January/February of 2003, based on the Policy Report which had been accepted by the States. Do you accept that or not?

SENATOR OZOUF: We will have to agree to differ. I believed that the sum total of the policy approach of your Committee was to keep the industries in aspic and I did not agree that that was the right and proper way in order for government funding to be used.

SENATOR LE MAISTRE: Well, the evidence ----

SENATOR OZOUF: We will have to agree to differ.

SENATOR LE MAISTRE: It is not a question of agreeing to differ. It is a question of fact, and the policy document -- and I would hope that we can check this with the EDC President, who pulled hard to implement the policy which the States had approved.

SENATOR VIBERT: Can we move on, Chairman, because there are time pressures?

DEPUTY DUHAMEL: Yes, sure.

SENATOR VIBERT: I wonder if I can ask you some questions about your views about the fact that the States made a decision to do a certain thing and voted a budget for it and, when it got to the FSR, it was pushed off the list. You in fact played a part in that in your position. I wonder if you could explain to the Panel how you can justify that position, the States having made the decision?

SENATOR OZOUF: You said in your question that the States voted a budget.

SENATOR VIBERT: Hmm hmm.

SENATOR OZOUF: And I must, first of all, take issue with that statement. The States did not vote a budget, as was absolutely clear at the time. It was clear from both the comments made by the President of the Finance & Economics Committee and the President of P&R that budget allocations were arrived at following the FSR process and then following a States' debate on budget allocations within both the Resource Plan and the Budget. So I cannot agree that the States' decision on the financial aspects of this policy amounted to an allocation of a budget. It was always going to be within the FSR process that allocations to individual committees would be made.

SENATOR VIBERT: But they passed the principal decision that it was to go ahead with the Agri-Environment Scheme.

SENATOR OZOUF: But I need to tell you and remind you again of the statements that were clearly made in the Assembly at the time that that would all be subject to an FSR process later on.

SENATOR VIBERT: But the question I am asking you is, do you believe that that is the right way for the States to operate, where the States make a decision, it then goes to the FSR and politicians like yourself who have an opposition to it within the House are then able to have a second bite of the cherry before the Fundamental Spending Review?

SENATOR OZOUF: We would be in an entirely unworkable situation if every committee took their preferred policy approach to the Assembly and got the Assembly to vote individual items. It would be impossible to deal with an allocation process.

SENATOR VIBERT: But in reality ----

SENATOR OZOUF: It all needs to be done at the same time.

SENATOR VIBERT: But in reality that doesn't happen, does it? This was a particular specific issue, like school milk, which was another specific issue; and we have asked one President this morning to tell us any specific decision made by the States that specifically directed the committee to do something that went to the FSR and failed and we have not had any answers on that.

SENATOR OZOUF: I think the President of Finance ... I have read his transcript of when he attended upon you and I think the President of Finance's comments stand for themselves. He explained to you that it is very clear that allocations and discussions of allocations and priorities can only be done at one time, where everything is put into the pot and prioritised on a day and competing advantages, disadvantages and priorities are actually made.

SENATOR VIBERT: The President of Policy & Resources told us completely the opposite. He said that he thought it was fundamentally flawed and wrong.

SENATOR OZOUF: I have not read the transcript of the President of Policy & Resources. I have read the transcript of your discussions with the President of F&E and I agree with them. I believe, further, that the States knew exactly what they were doing at the time within that debate. The issue of whether or not this amounted to a budget allocation was clearly made in that debate; and indeed I believe that the President at the time accepted that and he made statements to the effect that this was going to be simply a measure of support. Now, the measure of support that was contained within that approach amounted to 19 Members of the Assembly voting for it, 16 Members were contre, 9 Members were away and 8 Members were not in the Assembly to take the vote.

SENATOR VIBERT: What is the significance of that?

SENATOR OZOUF: I just think it's interesting.

SENATOR VIBERT: A vote is a vote. One vote ----

SENATOR OZOUF: A vote is a vote. I think it's interesting.

SENATOR VIBERT: The democratic process says that whoever wins, wins.

SENATOR OZOUF: But what ----

SENATOR VIBERT: So I wonder why you raise that as an issue.

SENATOR OZOUF: But they did not win a budget allocation.

SENATOR VIBERT: They won in principle, approval in principle.

SENATOR OZOUF: That's all. That's all.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Yes. Can I put some questions about reviewing your original transcript? That was your opening gambit, in fact. I think you have probably got your original transcript with you, Senator Ozouf?

SENATOR OZOUF: Yes, yes, I have.

DEPUTY RONDEL: At the time, I had several questions about what you actually said at the time. At the time of giving your evidence on your earlier occasion you claimed that your political office was based at your father's farm; is that correct?

SENATOR OZOUF: Deputy, are you going to -- and Chairman -- are you going to start reopening the issues of conflict of interest etc, because I have come before you to explain and we have had a good discussion about the areas of 2002. If I can assist in any brief questions, I will attempt to do so.

DEPUTY RONDEL: I hope so, because I would like to clarify just one or two of the comments that you made, so could you answer the question, please?

SENATOR OZOUF: I did have a list of lines of questions and I drew the attention to the Chairman of this Panel that I had come to talk about the issues in 2002, but if there are a couple of brief questions, then I'm happy to answer them.

DEPUTY DUHAMEL: I think that is fair. If there are a number of questions just to clear up a few points, it is a matter of public record. The transcript is freely available. If there are points on it, we will see how it goes.

DEPUTY RONDEL: Can I put the question again? At the time of giving your evidence, you claimed that your political office was at your father's farm. Is that correct?

SENATOR OZOUF: That is correct.

DEPUTY RONDEL: Can you therefore explain why, in the 2004 telephone directory, your office is described at 21 Bath Street? There may be an error in the telephone book, but that is what currently sits in the telephone book.

SENATOR OZOUF: It appears that the Telecom's directory was not updated in sufficient time. I can't answer the reasons why. Maybe the telephone directory is obviously prepared months ahead. I am not sure that I can offer anything useful. But my political office and where I carry out my work is based at Highstead.

DEPUTY RONDEL: I see. Okay. You also say, on page 73, that you had a conflict in two areas, planning and also agriculture. That being the case, how difficult is it to be President of a major committee, where I would estimate more than 50% of the working areas, i.e., planning and agriculture, you are conflicted within those areas? How difficult is it to work and be President when you are conflicted in that way?

SENATOR OZOUF: Chairman, I am not sure what that has got to do with the Agri-Environment Scheme, but I am happy to ----

DEPUTY DUHAMEL: You are here in your capacity as an individual States Member, and I think it is a matter of interest how individuals juggle the different hats that we find ourselves wearing from time to time.

SENATOR OZOUF: Presidents and Members of the States will find themselves at various times in conflicting positions. The previous two Presidents of Environment, the then Planning & Environment Committee, regularly withdrew from meetings when it had things to do with the company that he was a director of and, when the President withdraws, then the Vice-President chairs the Committee. I have to say that I would not agree with your statement that the business of Environment & Public Services, in dealing with matters of planning and agriculture amounts to 50%.

DEPUTY RONDEL: Going on from there then, can you just confirm whether or not you gave evidence in the Canavan Inquiry on the infill in Trinity?

SENATOR OZOUF: I was asked to attend upon the Canavan Inquiry in order to explain the position of the Committee in dealing with issues to do with the processing of planning applications. I have to say I am not at all clear what the link has got to do with the Canavan Inquiry and the Agri-Environment Scheme, but perhaps you can help me.

DEPUTY RONDEL: I hope so, because, if you were in the position of attending inquiries as President of the Committee -- and I know you are here in your individual capacity today -- given that you have already stated that you have taken no part in planning issues and agricultural issues as President of the

Committee, why did you not decline to attend the Canavan Inquiry or send your Vice President in your place?

SENATOR OZOUF: Deputy, I really don't understand the point that you are making. I have explained to you previously the extent of my personal involvement and my pecuniary interest (or lack of it) in agriculture.

DEPUTY RONDEL: What I can't understand, if I may come back in, is why you attended an inquiry as President of a Committee when you have already told this Panel that you took no part in issues to do with Planning and/or agriculture.

SENATOR OZOUF: No, I think you are summarising the position too strongly. I take no part in issues to do with agriculture and related planning issues that could have the appearance of being directly involved in issues which could affect a member of my family's position in agriculture. I was asked to attend the Canavan Inquiry to deal with issues to do with the processing of a planning application.

DEPUTY RONDEL: Right. Okay, one more question.

SENATOR OZOUF: But I fail to understand the linkage between the ... I have come before you and I would assume that you have precious time to explore and develop issues to do with the Agri-Environment Scheme.

DEPUTY RONDEL: On page 76 of your original transcript, in response to a question from Dr Dwyer, you mentioned delegating responsibilities to various Members of your Committee. In your view, would you delegate a responsibility to a Member of your Committee who also could be conflicted?

SENATOR OZOUF (After a pause): It appears logical that if a Member of a Committee is conflicted, then they should not have responsibility for that.

DEPUTY RONDEL: Then how could you allow a Member of your Committee, i.e., Deputy Taylor, to have responsibility for sea fisheries, when in fact Deputy Taylor is a fisherman/fish wholesaler? In that case, is that not a conflict and, therefore, you allowed it to go on within your Committee, although you claim that you stood out of debates to do with agriculture and also planning and yet you allowed one of your Committee Members to be conflicted?

SENATOR OZOUF: Chairman, I really think that that has absolutely nothing to do with the Agri-Environment Scheme. Deputy Rondel's views of Deputy Taylor's involvement in fisheries issues has been explored, aired and dealt with in the Assembly, and I don't think I can offer any further assistance to the Panel on the issue of Deputy Taylor and fishing.

DEPUTY DUHAMEL: Okay. Thank you. Senator Vibert?

SENATOR VIBERT: I wonder if I can continue in the conflict area and get back to the Agri-Environment Scheme. In your evidence when you last appeared, you spoke about the fact that, because you or your father was a landowner, you then felt that, as a landowner, you would be conflicted in supporting the Agri-Environment Scheme, because you thought it was inappropriate that you would be receiving funds from an Agri-Environment Scheme bearing in mind that you are a landowner. I wonder if you could just explain to me how you felt that you would be receiving funds or that it would be a benefit to you and, therefore, you would have a conflict of interest?

SENATOR OZOUF: Chairman, my conflict is not direct and immediate. I do not own any land. I, therefore, would not directly be receiving funds from the Agri-Environment Scheme. I am uncomfortable in asking and supporting and arguing in favour of a scheme that would put and place funds into a member of

my family. I think there is a marked difference between opposing a scheme and arguing a scheme and I believe that, in compliance with the Code of Conduct of States Members, where there needs to be also a statement of perception, that it would be inappropriate for me to argue in favour of a scheme that could benefit a member of my family. Therefore, I have taken a clear decision that I will not carry out work that would effectively benefit a landowner.

SENATOR VIBERT: Could you ----

SENATOR OZOUF: But I state again that I do not have any interest in land which I would benefit personally.

SENATOR VIBERT: So could you explain to the Panel that your understanding of the Agri-Environment Scheme is that it would be actually to the financial benefit of your father if the scheme had gone through? Could you explain where the financial benefit was going to come from?

SENATOR OZOUF: The Agri-Environment Scheme, as Dr Dwyer has clearly stated, proposes, as I understand it, a series of co-payments. If a dairy farmer, for example, is to meet environmental standards and future expected -- rightly expected -- proposals to, for example, increase slurry storage, then a dairy farmer is going to be able to receive monies for the investment of a slurry store, for example. Therefore, my father, as a dairy farmer needing to increase his slurry capacity, would receive state funds in order to assist in that investment. I think that is a good example of how a dairy farmer, which my father is, would benefit from the Agri-Environment Scheme and, therefore, it would be entirely inappropriate, in my view, to be seen to be actively arguing and supporting for that.

SENATOR VIBERT: But surely you accept the position that he would only get the funds if he was prepared to spend the money to put the system in? In other words, it was pretty limited in terms of being an advantage to him. He had to ... a farmer has to spend a considerable amount of money to actually meet the requirements.

SENATOR OZOUF: But indeed it is a co-payment and there would be -- and I quote from the Code of Conduct -- "*Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family and friends, their business colleagues or any voluntary or charitable organisation they are involved in.*" I believe that a co-payment for a slurry store is a gain, is a financial gain, irrespective of the arguments that they would need to make investments themselves.

DEPUTY DUHAMEL: Senator Le Maistre?

SENATOR LE MAISTRE: Yes. I think it is quite an interesting view and I think it touches on many, many areas, in fairness, as far as all of us are concerned. It is, as you suggested, obviously a matter of judgment, but in many, many things that the States are involved in, whether it is family allowance or whether it is old age pension or whatever, actually it is likely to impact on friends, family or otherwise. Perhaps the question (and it is a matter for all of us to resolve and you yourself in this particular case) is whether the subject being debated is for the benefit of the whole community rather than a particular individual. Now, I fully accept that if an issue is being discussed which would solely benefit an immediate friend or member of a family, there is good reason to absent oneself from that process and indeed that decision. The question that I would wish to ask

is, at what point do we all become conflicted in so many areas of States' activity? For example, if we approved educational grants for students overseas, I would be more than happy to say that my son is in that situation. We at various times will benefit from decisions made in the States, and I am sure whether it is the President of the Education Committee or whatever. So I would like to try and understand why it is that something which would benefit the whole Island, because of the object of the Agri-Environment Scheme, you feel would personally conflict.

SENATOR OZOUF: I fail to understand what this has to do with the matter before the Panel today, which is the Agri-Environment Scheme, but, if it is of assistance to you, your question raises a number of issues. You state what does one do as a States Member when an issue is both of benefit to the whole Island and the individual. Now, clearly, in the case of an agri-environment scheme benefiting a dairy farmer in the manner which I have just explained, it benefits the immediate personal interest and, therefore, when it benefits the immediate personal interest, you should not take part in it, irrespective of whether or not it affects the whole community.

I am quite clear that States' standards are rising and have risen and must continue to rise in respect of declarations of financial interests and declarations of ... it is now no longer even an issue in councils in the UK that it is a direct financial interest. It is often now a matter of perception, and I am clear that it is inappropriate for the President of a committee to argue and fight for a scheme that would benefit a member of his family. Now, I thought that the fact that I have declared the interest and said that I wished to take no part in it, that that matter would be then ended. I am not taking part as President -- I am no longer

President now -- but I will not take part in arguing for funding for a scheme that will benefit a member of my family, and I would have thought that that should have been enough, with respect, for the Panel to deal with.

DEPUTY DUHAMEL: I think that is fine.

SENATOR OZOUF: It is not a matter ... I will attend upon Privileges and Procedures when asked and assist them in developing their standards and their Code of Conduct. These are changing times and they must change.

SENATOR LE MAISTRE: Can I just say that I appreciate what you have said, because I actually better understand. I am not sure I entirely agree with it, but I better understand your position in terms of what was stated at the previous hearing, which I think has been expanded on. I find that helpful.

DEPUTY RONDEL: Could I make a point?

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: From my point of view, the Panel was obviously trying to clarify your position. It was my belief, and in fact still is, that the matter to which we were referring is of a general matter and not what would be called a direct and personal matter. Had the Agri-Environment Scheme affected your father's farm only, that would have been an entirely different matter from affecting all farmers in the Island. It is rather like Senator Le Maistre has said. When we vote on taxes for petrol, it affects all of us. This would affect all farmers, not only your personal family farm. So how you become conflicted is difficult to see.

SENATOR OZOUF: How would public perception be, Chairman, if I argued in the States for a scheme costing taxpayers' money and then it emerged that my father would benefit to the tune of £20,000 or £30,000 for a co-payment to invest in his farm for a slurry store? That is a perception which, frankly, I think would

be unacceptable and, therefore, I am not prepared to argue in favour of a scheme that will benefit a dairy farmer and, frankly, I would have thought that that was something that the Privileges and Procedures Committee would think was right and appropriate, and all thinking Members of the Assembly would think is right and appropriate. I am astonished that I am being put under pressure in order to argue something when I think that I am saying “No, please, I don’t want to argue something which is going to benefit a member of my family.” I am extraordinarily disappointed that the Panel is seeking to justify and further ask for my justification in not wanting to go there.

DEPUTY DUHAMEL: No, I think ----

SENATOR VIBERT: With respect, we are trying to understand it and I think we have had great difficulty, and still do, in understanding the position.

SENATOR OZOUF: Well, may I explain again?

SENATOR VIBERT: The reason why we are having difficulty in understanding it is because it places us now in a very difficult situation, because we wish to ask questions of you about the removal of the conditionality in respect of the scheme and we can’t ask you those questions because you won’t deal with agri-environment because you are conflicted. So the only person we can now to speak about this is your acting President in relation to the Agri-Environment Scheme, who would know nothing about the scheme at all. So you have put us in a totally impossible position. That is the position that we are in.

SENATOR OZOUF: You, the Panel, cannot ask me to make statements which support a scheme and could lead to a scheme and the supporting of a scheme which I have clearly explained to the Panel would benefit -- not would, but could benefit -- a dairy farmer, of which my father is one.

SENATOR VIBERT: We have heard that. But, as a result of that, right ... You have actually in your transcript you have said "*I think it would be completely inappropriate of me to be seen to promote an Agri-Environment Scheme*", which you have given evidence about now. "*I have asked my Vice President to take the seat as acting President in relation to the Agri-Environment Scheme.*" Now, I presume that means that, in all meetings of the Committee where you discuss the Agri-Environment Scheme, she has been there and you have not. Therefore, she is the only person we can ask the questions of.

SENATOR OZOUF: Well, I mean, I find this quite an extraordinary event. I'm being questioned by you, who was a member of my Committee.

SENATOR VIBERT: Yes.

SENATOR OZOUF: I am being questioned by the ex-President in fact. This is hardly an impartial hearing and it is a matter for you. The President of the Committee at the time made a clear statement that he was not prepared to make statements which supported the Agri-Environment Scheme. You must find other people to answer your questions, and the Vice President is perfectly capable of dealing with that. This is a convention, that Vice Presidents take over when Presidents don't do, and you will be well served by the Vice President.

SENATOR VIBERT: So we can't really this morning ask you any questions relevant to the Agri-Environment Scheme because you removed yourself from any consideration of it?

SENATOR OZOUF: We have spent 25 minutes discussing conflict of interest.

SENATOR VIBERT: Hmm hmm.

SENATOR OZOUF: I offered you, and Senator Le Maistre welcomed the opportunity that I gave, which was to come before you to explain the scheme as

of 2002 and my position, and I am happy to spend time discussing the scheme as it was. You will please respect and understand if I do not speak in support of a scheme which will benefit a member of my family, which you are asking me to do.

SENATOR VIBERT: Nobody is asking you to speak in support ----

DEPUTY DUHAMEL: If I could come in here. We thank you for being clear and lucid in your answers to the Panel today, but if I could just pose one further question and then that is the end of it? Bearing in mind the comments you have actually made, saying that perhaps ... well, there is a conflict of interest, indirect as it may appear, towards your father and we all respect that.

SENATOR OZOUF: Thank you.

DEPUTY DUHAMEL: Do you in retrospect then feel that perhaps you should have excused yourself for the whole of the agri-environment debate instead of taking part, as indeed your father did?

SENATOR OZOUF: Your question is in the debate in 2002?

DEPUTY DUHAMEL: Yes, 2002.

SENATOR OZOUF: I think I have made it clear that I have made a decision not to take part in agricultural matters as President of E&PS. I do not have an issue which is immediate and personal -- I never have done -- and my interest in the States, I think I, to the amusement of colleagues at the time, did state that I owned a cow. I think I still do own a cow. I am not sure whether she is dead or not.

DEPUTY DUHAMEL: But the point I have asked you is, in retrospect -- in retrospect -- do you feel now that perhaps, you know, with all the water under the bridge, it would have been advisable to have excused yourself, as indeed your

father did, bearing in mind that you do consider to have an interest on his behalf in agricultural issues?

SENATOR OZOUF: No. I don't have an interest on his behalf. Standing Orders are clear. The Bailiff has ruled on numerous occasions the extent to which you should declare and withdraw and I am entirely comfortable that Standing Orders have been upheld.

DEPUTY DUHAMEL: Right, okay.

DEPUTY HILL: Could I just pick up on this one? Did you in fact then withdraw, abstain or excuse yourself from the FSR process when we came round to discussing the issue of the Agri-Environment Scheme at the FSR? Bearing in mind your personal involvement or your father's involvement, did you then excuse yourself from the FSR process when the issue of Agri-Environment Scheme came up and was discussed?

SENATOR OZOUF: The important issue is that I have never attended upon the FSR process as the President of a Committee asking for funding for the Agri-Environment Scheme. I have been involved in the FSR process. At the first FSR meeting, I was deputising for the President of Policy & Resources and the second one I was deputising for the President of Finance & Economics.

DEPUTY HILL: Yes, but the point I am making ----

SENATOR OZOUF: I say again that I am unwilling to argue and to mount an argument in favour of a scheme that will benefit a member of my family.

DEPUTY HILL: So, at that point, you should not then have been taking part in the FSR process as well, because there would have been a benefit, indirectly or directly. You can see how the argument carries on.

SENATOR OZOUF: You will understand my position. Standing Orders require me to declare an interest which is immediate and personal. It is not really of a general character. It has always been the case that I do not have an interest in land which is immediate and personal. I do not have an interest in a farm which is immediate and personal. I am unwilling to take ... I am unwilling to mount arguments, however, that will benefit a dairy farmer. Now, I think my position is quite clear. I have strictly adhered to Standing Order requirements of declarations of interests. I am unwilling to deal with issues, as President of the E&PS, that will be seen to benefit agriculture. I am not sure that we can go much further.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Do you think, a Member of the States, and a Member who holds the view that he is conflicted in two major areas -- two major areas -- Planning and Agriculture, should allow his name to go forward, as you did, to run the Environment & Public Services Committee, knowing that you will not be able to chair a great proportion of those particular meetings?

SENATOR OZOUF: Chairman, I am really struggling to know what this has to do with the Agri-Environment Scheme. If this is a Panel which is designed to assist or otherwise my candidacy for the future election of E&PS in two weeks time, then you should reorganise this sitting so that it is basically there for that. There are a number of Members around the table -- in fact, looking around, a significant majority of Members -- who signed a vote of no confidence in the Committee. It is important that Scrutiny Panels are appearing to be independent, etc. I wish to state to the Deputy of St John that I am not conflicted in all planning areas. There are some areas of planning which we all are conflicted in

because we know the applicants well, we are neighbours, etc. That is the extent of my conflicts within planning, and I would have thought that they were obvious.

DEPUTY DUHAMEL: Thank you. Dr Dwyer?

DEPUTY RONDEL: Could I make it clear ----

SENATOR OZOUF: I think we should ----

DEPUTY RONDEL: ---- that I did not sign any vote of no confidence?

SENATOR OZOUF: I didn't say that. I said a majority of people around the table.

SENATOR LE MAISTRE: Neither did I actually, so ...

DEPUTY DUHAMEL: It is not an issue. Dr Dwyer?

DR DWYER: Yes. Just pursuing a point that Deputy Hill raised about the Fundamental Spending Review and your rôle in it, it is my understanding that the conflict of interest became apparent to you before the most recent FSR. If that is the case and you were deputising on being President of ----

DEPUTY RONDEL: Finance & Economics.

DR DWYER: Finance or Economic Development?

SENATOR LE MAISTRE: Finance.

DEPUTY RONDEL: Finance.

DR DWYER: Does that mean that when the Agri-Environment Scheme was debated in that process that you stepped out of the debate, or was it that you weren't able to support ----

SENATOR OZOUF: I state again I am being quite clear in the reasons why I am not going to support an Agri-Environment Scheme.

DR DWYER: Yes, I understand that entirely.

SENATOR OZOUF: My personal interest is not immediate and personal. Therefore, it does not preclude me. I mean, issues were raised at the last time that I attended upon your Scrutiny Panel in respect of the Strategic Policy Report; and indeed there are references for the Agri-Environment Scheme contained within that Policy Report, as indeed there will be issues that will touch all of us. But that was a general debate. My presence at the FSR process, having reviewed again the ranking of the Agri-Environment Scheme at the FSR process, my involvement and my vote would not have counted for anything is my understanding of it. But I have made a decision. As President -- as President, there is a big difference that you are President of a Committee mounting arguments in favour of something -- that is a step too far and that is a step too far that I ----

DR DWYER: And you were not asked to do that at that particular meeting, so it wasn't a problem?

SENATOR OZOUF: No. It is a step too far to mount arguments in favour of the scheme. That is what I am saying.

DEPUTY DUHAMEL: Senator Le Maistre.

SENATOR OZOUF: And I would have thought that was something that PPC would have respected.

SENATOR LE MAISTRE: Yes. Can we just link those two somehow, because I am now having difficulty between being President of the Committee and a Member of the FSR process? If you feel conflicted in one area to discuss a particular subject, which is agri-environment, do you not feel conflicted in the second area, which is the F&E process, the FSR process, as Vice President of F&E, which is discussing the very same subject? Now, do you feel you can either support or not

support a proposition which you previously felt conflicted in? I am sorry, I am finding that difficult.

SENATOR OZOUF: The terms of reference of this Panel's enquiry is to look into the Agri-Environment Scheme.

SENATOR LE MAISTRE: We need to know ----

SENATOR OZOUF: I am not aware -- I am not aware -- that it is dealing with the particular issues of conflicts of interest of a general issue.

SENATOR LE MAISTRE: It is dealing with the FSR.

SENATOR OZOUF: I am not prepared to be President, to act as President of a Committee, asking for funding that would benefit a member of my family, that is the step too far and I thought that we had rehearsed this ad nauseam.

SENATOR LE MAISTRE: What position do you then take at FSR? FSR was part of the remit of this Panel. Can I ask, therefore, what position you took on the FSR process when agri-environment was being discussed?

SENATOR OZOUF: I acted as the representative from Policy & Resources in the whole of the FSR process in January. I then acted as President of F&E in respect of the second one. There is a marked difference between them. I did not sit there as President of E&PS mounting the arguments in favour of it and that is a step too far.

DEPUTY HILL: But you had a personal conflict. You had a personal conflict. You have said it. If you are going to be consistent, surely you have to absent yourself, whether as President of Planning, Vice president of F&E or of P&R. It must follow, surely?

SENATOR OZOUF: I state again, my conflict is not personal and immediate.

SENATOR LE MAISTRE: But it is at some times.

SENATOR OZOUF: It is a step too far for me to ask me to fight in favour of the Agri-Environment Scheme. That is the step that is too far.

DEPUTY DUHAMEL: Right, last question.

SENATOR OZOUF: My declaration of interest has been clear. It is a shame that we have spent the last 25 minutes ... I would have been quite willing to discuss, and am willing to discuss with you, the world as of 2002 and it is a shame we haven't done that. Time is running out unfortunately.

DEPUTY DUHAMEL: One final question from Senator Vibert.

SENATOR VIBERT: Yes. My final point on this is the fact that the reason we are discussing it is not because we ever raised the matter, the matter was raised by you to this Panel. That is the reason why we are discussing it. Secondly, I would like to put this position to you. You have been telling us that you are not prepared to speak in favour of something because you are conflicted. Clearly you don't see any reason to speak against the project, even though you are conflicted. I will put to you that is what you would have done at the Fundamental Spending Review, having told this Panel that you are conflicted earlier, but you went to the Fundamental Spending Review and you didn't feel that you were conflicted, even though you were prepared to argue against it. I just wonder if you could tell us the logic of that.

SENATOR OZOUF: You are entitled ... Members of the Panel are entitled to their view. I state again that the interest that I have in agriculture is not immediate and personal. The step too far for me was arguing in favour of the funding. That was the step too far.

DEPUTY DUHAMEL: Okay. Thank you. Right, well, I would like to thank you for your attendance and wish you well in the future.

SENATOR OZOUF: Thank you, Gentlemen.
