

STATES OF JERSEY

OFFICIAL REPORT

THURSDAY, 4th JUNE 2009

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The Roll was called and the Deputy Greffier led the Assembly in Prayer.

COMMUNICATIONS BY THE PRESIDING OFFICER

The Greffier of the States (in the Chair):

Very well. We revert to the matter of the absence of the Connétable of St. John. Deputy Tadier has asked for the appel for the proposition of the Deputy of St. John that he should be marked as excused.

Deputy M. Tadier of St. Brelade:

Before we have the appel, may I just say that the reason I called for the appel ... and it may well be that States Members decide that it is quite excusable that the Connétable is not here. It just seems to me at a time when we are debating reform and the roles of States Members that Constables have to decide whether they are Constables or States Members. We all take an oath to be in the States. But that is a matter for States Members to decide.

The Greffier of the States (in the Chair):

Very well. The vote is for or against the proposition of the Deputy of St. John. The Greffier will open the voting. The proposition is that the Constable should be excused. If you wish to excuse him, you vote pour.

POUR: 36		CONTRE: 6		ABSTAIN: 3
Senator T.A. Le Sueur		Senator A. Breckon		Senator B.I. Le Marquand
Senator P.F. Routier		Connétable of St. Lawrence		Connétable of St. Mary
Senator P.F.C. Ozouf		Deputy G.P. Southern (H)		Deputy of St. Mary
Senator B.E. Shenton		Deputy M. Tadier (B)		
Senator J.L. Perchard		Deputy T.M. Pitman (H)		
Senator S.C. Ferguson		Deputy D. De Sousa (H)		
Senator A.J.D. Maclean				
Connétable of St. Ouen				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. Peter				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				

Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				

Deputy E.J. Noel of St. Lawrence:

I would like to give the 30 minutes' notice that I will be calling an Article 84 closure in 30 minutes' time.

The Greffier of the States (in the Chair):

Yes, thank you. That is noted, Deputy.

PUBLIC BUSINESS – resumption

1. States Strategic Plan 2009-2014 (P.52/2009): tenth amendment

The Greffier of the States (in the Chair):

Very well. The debate resumes on amendment 10(1) in the name of Deputy Higgins.

Senator T.A. Le Sueur:

Is it appropriate before we continue this debate to report on my views on amendments or should we wait until this debate is concluded?

The Greffier of the States (in the Chair):

Only if it is relevant to this particular amendment perhaps, Chief Minister.

Senator T.A. Le Sueur:

No, it is not. It is general so ...

The Greffier of the States (in the Chair):

I think perhaps we will conclude this amendment then. Does any other Member wish to speak on the amendment of Deputy Higgins?

1.1 Deputy R.G. Le Hérissier of St. Saviour:

I have kept my counsel because we have a Member here who is getting deeply frustrated. Undoubtedly because I have been accused of having introduced the system, it will have to be reformed. But I think it is very healthy that there have been a lot of amendments because it has brought into question the basis of the plan and that must be a good thing. That must be a good thing. Unfortunately, it has not brought that into focus in what you might call a tightly organised and focused fashion, but that is something I am sure we can work on. But I have been very saddened to hear the response to Deputy Higgins' amendment. I think he is to be commended enormously [**Approbation**] because he has written a very succinct report. It is very brief. He gave an excellent context-setting speech where he laid out the issues and he did the very thing this debate should be about, which is to examine the main assumptions upon which this plan is based. He did that very thing. It was very unfortunate that we have seen this incredibly defensive culture at work where we are analysing words. I do not doubt there are some people we all know who use this technique of putting forward seemingly innocent propositions and they are wedges in the door, basically, which will be held against us in evidence at a later time. We know there are some people very skilled at that. But I think given the way that Deputy Higgins presented, he certainly is not coming from that school of Machiavellian politics. He presented it in a very clear fashion. He laid it out. I am desperately disappointed from a department and a Minister who is, I should say, doing excellent work ... as I look at the Senator Maclean commemorative tower in St. Peter, I say to

myself there is a ... if you seek his monument it is unfortunately there. **[Laughter]** He is doing excellent work, but I am staggered that given the fact that this has proven to be such a difficult issue because of the issues that Deputy Southern alluded to, the fact we live in a high cost economy, and we can either develop high cost industries or develop other industries simply on the back of imported labour - that is essentially what we are faced with - or on the backs, as I know E.D. (Economic Development) support enormously, of incredibly energetic and sometimes dispirited entrepreneurs. I would have thought they would have said to Deputy Higgins this is excellent, particularly the chair of that relevant panel. Here is somebody trying to come up with new ideas, trying to deal with this barrier that we have always had to really diversifying the economy, hence the use of the word not really but genuinely as opposed to the token efforts we have made. He is trying to do this. I think the adding of the Economic Commission is not because he wants to bring in some super ordinate power to try and run Economic Development. It is to say what we say all the time and what Economic Development and the Minister for Treasury and Resources do with their favoured advisers from groups like Oxera. It is simply to say can we have some concentrated thinking and look at this? I cannot for the life of me understand - except that people are reading such deep Machiavellian meanings into this - why this is being resisted. It is a patently obvious thing. It is one of the areas where we clearly have not been able to deliver the goods over many, many years. I think rather than engaging in these arguments on the head of a pin about the meaning of words, we should be praising Deputy Higgins and saying is it not wonderful to have people like that who are prepared to be terrier-like, who are prepared to attack the problem. They may be a pain in the proverbial but in a positive sense they are moving things along and questioning old shibboleths, old beliefs, old values in co-operation. I am sure that is really at heart what people like Senator Maclean think, but sadly they have had to keep up a united front to show differently because I know there is a degree of co-operation and forward thinking. Please, please can we stop this debate and just accept it in the spirit in which this proposition has been offered?

1.2 Deputy P.V.F. Le Claire of St. Helier:

The amendment says to change the bullet point so to lay the foundations for a genuinely diverse economy. Yesterday the Minister for E.D.D. (Economic Development Department) said there really is no other industry that would replace finance, and given that it is 53 per cent of our income then that is possibly quite true. There probably will never be an industry to replace finance. In fact, if we think about it, finance will not replace finance in the future either. 53 per cent of our income and a diminishing ability to operate in the global context and finance circles is going to mean that that pie will not be replaced but the pie itself will shrink. With the following obvious circumstances, we must start to realise that diversification now is something that we should give more than just lip service to. Unfortunately, that is all we give diversification at the moment, it would seem. If we are talking about small industries, new inward investments, normally those are pretty much tied to the individuals that come into Jersey through the finance industry or come into Jersey to do things through the mechanisms of the laws within the finance industry. There are no small industries that are popping up left, right and centre. I challenge the statement that there is no industry that could significantly take on the finance industry because the tidal industry certainly could. If you look at the amounts of islands that are taking part in this year's Island Games in Sweden, you will see that the majority of their economies are either based upon fishing, tourism or finance. It is quite interesting to see that some of them have no finance whatsoever so their economies are solely based upon tourism and fishing. That is for us now quite bizarrely a strange scenario that we would survive off fishing and tourism. I am sure that we would all find it extremely challenging to try to imagine how we would do so. But the skills that the Channel Islands have had over the centuries in relation to the sea can be put to use again in the future; not necessarily in terms of fishing but certainly in terms of renewable energy. When we were on the Environment Scrutiny Panel, Deputy Duhamel and I and other members of the panel attended the London Tidal Power Conference. The Tidal Power Group has been set up under the chairmanship of the Constable of Grouville and the Council of Ministers have signed up to the Scottish

Executive's plans to embrace this technology. North Sea oil is diminishing and - quite rightly pointed out by the Deputy of St. Mary - the price of oil in the future is going to go through the roof. The car companies know this and that is why they are moving away finally from oil into hybrid and towards electric cars. Electricity and hydrogen will be, together with natural gas and renewable energies, the industries of the future. When you consider that there are over 30,000 people employed in wind and wind power in the United Kingdom today when that industry is only 15 to 20 years old, then you can begin to realise what the tidal industry can offer as well. I have made this point before. There will be pressures and demands upon boats even more so than there are now that are given contracts for the lifetime of those vessels before they hit the water in places such as Africa and further afield in the oil industry. When those boats and the people that service them and the engineers and the ships' divers and everything else are taken into account, there is very, very sparse spare capacity around to service a tidal industry. But, yet, within the Channel Islands we are sitting upon a goldmine of tidal industry. An absolute goldmine and it is not going to run out so long as the moon and the earth continue to be acting upon each other in the way they are. The modern tidal array for a sub-sea turbine that has been trialled in Scotland first, for example, has a wingspan of 30 metres and a depth of 15 metres. To service a model tidal power array of 100 of those units ... **[Interruption]** The point is, to return to my speech, that if we take the rainy day fund and set it into motion now to gear ourselves up for the tidal industry then we will begin to have the ability to reap the benefits from the tidal industry and the tidal industry is a truly diverse form of our economy. We do not just have the opportunity to reap the benefits of what a modern tidal power system can generate in terms of electricity, but we can sell that electricity to Europe because a lot of the banks and the corporations are looking to purchase green energy and they can do that in their jurisdictions. Anywhere within Europe you can purchase green energy. You pay slightly more for it but then you get tax breaks at the end of the year because you have bought it. So somebody in France, for example, can purchase solely green energy, pay up front for that company and for the governments of those countries to develop the research and development that is required in this field. As I said before I was messaged, the model for a 100 tidal power sea-generating farm is based upon 100 units; 100 units in the sea and 20 units out of the sea being serviced at any one time. I have said this before. With something in the region of 14 support vessels, 2 tugs, 400 employees and 20 or 30-metre wide generators to be serviced, where are we going to put those? Where are we going to put them? We do not know where we are going to put houses, so we need to come up with some ideas. Some ideas are there. All of the expertise is there. There are over 315 concepts for tidal power. It is not that there are 1 or 2, there are 315 and many of them are now entering the water. All of the other countries that have got this ability to see that there is money ahead of them are not only conducting studies and getting involved with other people that are conducting studies as we are, they are making their jurisdictions the place to be for research and development companies who have huge amounts of capital to come to their countries and investigate whether or not their technologies work. That money we are losing. We have the ability to put devices at low water that can be inspected by people that can walk down and inspect them twice a day. Some of the greatest challenges in bringing tidal power to roost, bringing tidal power into reality, are looking at the dynamics and the effects that the tide is having upon the devices themselves. We could through a much more proactive stance set up mechanisms, incentives and opportunities for research and development companies like they have done in Scotland, which are the most progressive. So we could just follow what Scotland is doing and we could see Jersey transform from the finance industry into the tidal industry. Hand on heart, how many Members in here could have foreseen when they were children what would have happened to Jersey in terms of finance? I was born in 1963. I started to have focus on the banking industry round about 1974, 1975. Where has it come since then? What has it done to the Island? How has it changed the Island? Over 200 hotels have gone. Over 200 hotels. Unimaginable in those days. Unimaginable. So we really do have to put our thinking caps on and imagine what the future could be in terms of tidal power because there is huge revenue for the States of Jersey. It will be low footprint. It will be green. It will be sustainable. It will be renewable. It is a darn sight better

thing to do with our rainy day fund right now than put it to one side for the collapse of investors' funds and banks. While we must always provide protection for investors, we never can provide total protection and £100 million is the maximum I understand that we are able to set aside. If we were to put that money, £100 million, into tidal power, it would not be £100 million to give to people for failed businesses. It would be an investment in the future and it would bring back serious amounts of money and serious amounts of work opportunity, skills and development and an opportunity for us to employ people in the future in the traditional fields of the seafarer.

1.3 Senator P.F. Routier:

When I woke up this morning I began to think about what sort of day we were going to have. I heard on the radio that the Americans could not decide whether the word "a" was used in a particular statement when somebody landed on the moon. They were fretting about whether this one word was being used or not. So we are going through a debate today where we are being concerned about these words here and there which seem of great concern to us. I hope through the day we will perhaps ease off on being pedantic about particular words. What I think that we need to think about with this proposition is the concern that there is about an economic commission. I know when the proposer mentioned in his opening remarks that he was not fussed about an economic commission that is ... Not that I was party to the conclusion to the Council of Ministers whether to accept or reject this amendment, but I recognise that that is what they tripped up on. Certainly the spirit of what the Deputy is trying to achieve, it cannot be disagreed with. Certainly it is something that we need to do. I think another point is the wording of the proposition itself talks about the laying of the foundations. The current situation is this year we have had 250 new start-ups in business. There are entrepreneurs out there who are starting up businesses who recognise that there are opportunities for them to achieve business growth in the current climate. I think it was Deputy Le Hérisier who talked about what we need is some real deep thinking about how to develop the business community. Well, it is happening. It is happening now. The business community are going forward. They are the ones who are doing the thinking. They do not want government in the way to tell them what to think. The concern there is about an economic commission; the business community do not want an economic commission. They want to get on with their business and they want the government out of the way [**Approbation**]. The help that we are giving the businesses is ... you will be aware that there is new legislation coming with regard to intellectual property. That is a request of the business community who have asked us to come forward with this legislation to enable them to grow, to be entrepreneurial. That is what government needs to be doing. We need to be getting on with that. I hope Members recognise that. Tourism: we are supporting tourism. People think that we have not been supporting tourism. This year we put in an additional £550,000 and also that has been matched by the business community. They want to take on responsibility for that. You will have seen yesterday the talk about new enterprises. A super yacht arrived in the Island. That is the start of a new business for the Island. There is a good marine leisure industry here already but it shows signs that there is great opportunity for this Island to expand our marine leisure opportunities. That is something which we are getting on with. What I would like to understand from the proposer is does the proposer really want to continue to diversify the economy, support new and existing businesses, attract low footprint, high value business from elsewhere and foster innovation? Is that what he is trying to achieve? I presume it is because that is what is already in the Strategic Plan. It is here. I presume that that would do everything the Deputy would want. I suggest to Members that the Economic Development Department, and the Minister, is doing everything it possibly can to achieve a diverse economy, to help businesses to achieve what they want to achieve. We have to nurture business. As I say, I believe the spirit of what the Deputy is trying to achieve is the correct thing, but what I think the Minister and the Council of Ministers stumbled on was this concern about the potential cost of an economic commission. That is what is causing the problem with this. I ask Members on the basis of that to reject this proposition in the knowledge that the Council of Ministers are coming forward with on page 13 ... if they do not believe me it is in here written down clear as a bell what

is being proposed. There are opportunities for business to grow and for the government to help the businesses to achieve what they want to achieve. I suggest to Members that we are being pedantic and we really should just reject this amendment and allow the Council of Ministers to get on with what they are proposing to do.

1.4 Senator S.C. Ferguson:

Yes, Deputy Le Claire made quite a thing about tidal power. It is the entrepreneurs who are driving that plus, of course, the fact that there are doubts about the cost of oil and so on. If the price of oil rises then the hunt for a substitute has already begun, in fact, but it is going to take time certainly. There is time to plan. The last technical journals I read were talking about 15 years. We may be able to shave a bit off that but to get it running at full pelt it is a 15-year project. It is quite easy to say lay the foundations for a genuinely diverse economy but government should not be involved with the business ideas. I think the first thing to note is that government's attempts to pick winners produce more losers than winners. The best thing government can do is to make sure there is the environment which is favourable for new businesses and attractive to entrepreneurs, and that is already going on. All the entrepreneurs are saying: "For God's sake get out of the way. Cut the red tape. Let us get on with it." The tourism industry - and here I must confess to a conflict of interest to some degree as I am a director of a hotel - cannot achieve the same mass market as in the 1960s and 1970s. There were certain special factors then which do not apply now. However, I welcome the public/private partnership arrangements which will help develop the niche markets which are more appropriate for us. As the Minister for Treasury and Resources has said, for us with a small Island, the preferable businesses are small footprint, high profit margin. There are a number of businesses meeting those criteria but some of them will not be attracted here as they have invested too much in the infrastructure of their current locations. Deputy Higgins has made a case for a diverse economy with which we all agree. But we are here to think as well as ... we are not just here to say we must do this, someone must do this. I would be interested to learn of his suggestions for suitable industries. What does he want doing that is not being done at present? As for the commission, I think people know my views on government expenditure and quangos. I just feel it is another expensive quango which was totally inappropriate for a small Island. Yet more bureaucracy. I am sorry, I must recommend that Members vote against this amendment.

1.5 Senator S. Syvret:

I think the resistance that we are seeing to this amendment is like a touchstone for the failure of the short-termism of the States of Jersey over the decades. Why there is this immense resistance to a proposition which merely asks that we lay the foundations for a genuinely diverse economy is truly remarkable when you think about it, especially when frankly you would have to be some kind of idiot not to look at the world economy, observe the disintegration of the world's financial system, and then imagine that we are pretty much okay with the current economic mix we have, largely dependent upon the finance industry. Often when people have said to me, no, this is not true, I have often said to them prove it. My view is that if you did a true analysis of the contribution to our G.D.P. (gross domestic product) of finance industry related activities it would probably be very, very much higher than the official figures; probably about 80 per cent I would have said. When you look at all of the other economic sectors of activity we have in Jersey at the moment, you have to ask yourself at what scale would those other sectors exist and prosper in Jersey if the finance industry took a dramatic downturn? The answer is they too would shrink catastrophically because the money would no longer be there in the economy, which is why we do have to set about diversifying the economy. The States always pays lip service to having a diverse economy. I think you can probably find this phrase written in every kind of strategic document that the States has discussed for the last 20 years; diverse economy, diverse economy. We have heard it all before yet what happens? Do we ever learn from the lessons of the past? Do we ever start developing a diverse economy? No, we do not. We just carry on like a drug addict hooked on the drug we use at the moment, the offshore finance industry. It may be that the cold turkey might be imposed upon

us by forces outside of our control. But certainly nobody could look at the way the world's economy is at the moment and imagine that the future is going to be comfortable. Nor, frankly, do I think we can imagine things in the future ever getting back to what we have come to know as business as usual. It was very interesting to hear the comments by Senator Routier and Senator Ferguson when they spoke about how marvellous entrepreneurial activity is and that the market is king and that it is innovators and businessmen who make successful economic activities, successful businesses work, and government is nothing but some kind of a hindrance to that process and the very, very last thing that business needs is any interference from government. Of course, the most cursory examination of the history of economic development say over the last 150 years in Britain alone shows that a variety of market distortions, artificial market interventions, assistances, tariffs, biases have, in fact, been put in place by governments to assist and protect certain industries, to bolster them, to encourage them, to help them grow or, in fact, even to suppress other industries. So let there be no doubt about the fact that governments have historically played a fundamentally important role in helping economies to diversify. The evidence is there. It is not even arguable. We can look at the situation in Jersey and regard it as quite ironic to hear some people standing up and saying government should keep out of business, business knows best, we do not want anything to do with the government. I do not recollect the Island's farming industry ever saying government should not interfere in markets at all when it came to the agricultural subsidies that have been administered for the last however many decades. It is always the case with these kinds of business is best and business is the only area of thought that knows how to solve these things, it is always fascinating to look at the reality of the situation. Look at the subsidies. Look at the market interventions that are engineered by government. Look at the government interventions. It is quite clear when you do that, a lot of the traditional entrepreneurs it is a case of, no, we do not want government intervention when the government is trying to tax us or regulate us in any kind of way, but we do want some government intervention when it comes to subsidies and support and whatever and that kind of thing. It is a quite hypocritical argument as well as being intellectually manifestly absurd. I was very interested to listen to the speech of Deputy Le Claire. He is not in the Chamber now. He made a very important speech about the need for investment in alternative energy sources and how Jersey is so well placed to be a world leader in the development. Not just having tidal energy for our own needs but we could be a world leader in hosting a variety of companies who experimented and innovated in our waters, developed their technology and their ideas which they could then in turn sell to other jurisdictions around the world. We are ideally placed to be doing that. It is unlikely to happen, either until it is too late or until the States of Jersey intervenes in that particular market and finds ways of encouraging, fostering those kinds of industries; start-up grants, putting in some seed capital itself, enticing those types of entrepreneurs - those engineers developing these systems - to come to Jersey, entice them, offer them incentives to bring them here. That is the kind of state intervention which we see in many, many jurisdictions which we should be doing now in order to encourage an area of economic activity. That is going to be crucial in the future, not just to us but to the world. There is technology now that could work without it being dramatically intrusive. For example, some schemes that have been proposed are environmentally very questionable. For example, building huge barrages across bays, basically lagooning in the whole bay. But there are other technologies being used now. You can build completely artificial circular tidal lagoons down at the low tide level that are a little higher than the high water mark. They fill with water as the tide comes in. The tide goes out, sluice gates at the bottom open, the water pours out and drives turbines. Those exist. That technology works now. If we had the drive for real economic diversity, if we had had that drive in recent years and some real effort potentially, we could have companies starting to build one of those things on our beaches tomorrow. Tomorrow. That is not an exaggeration. I will just finish by quoting a figure that I quoted in a previous debate just to those who imagine that this is just some kind of economic blip and after a bit of pain for a year or 2 it is all going to get back to business as usual. That figure is the all-liquid peak oil production figure. The all-liquid oil production peak stands at May 2008 at 86.05 million barrels per day. That was the moment of peak for traditional liquid hydrocarbons.

From there on in, it is going down in the face of a planet which, if the economy were to pick up again, has a dramatically increasing demand for oil at a time when it is crashing. One can see on the chart here where we are at the moment on oil production and then where it is going to go. It is going to drop off dramatically. When that happens and it is not a case of if ... and, in fact, even though the economy is bad at the moment and oil prices are comparatively low compared to what they reached, I read yesterday that some investors are hedging on oil at 200 dollars a barrel in 18 months. I think Members have to ask themselves what will future generations ... not even future generations, what will people in our community be saying to this Assembly in 2 or 3 years' time if we have not put some real focused effort into diversifying our economies into things like alternative energy, away from activities that are dependent on oil? What will we say to them when we have that kind of dramatic economic meltdown and we rejected this amendment today and we decided that we were not going to change the habits of the last couple of decades, that we were not going to stop just paying lip service to economic diversity and that we were really going to grasp the mettle and drive it forward? I do not believe that anyone in the future would thank us for that. Frankly, I think it would be absurd if this amendment were rejected.

1.6 Connétable D.J. Murphy of Grouville:

I did not want to intervene while the Senator was in full flow, but I think I should say something about the ... whereas I am extremely grateful for all the support that the tidal energy group is getting, I must say that it has been simplified beyond reason. That is, firstly, we do not know who owns the seabed in order to build these things on them. We wrote to **[Interruption]** ... I am sorry, did you say something? Would you like to carry on?

The Greffier of the States (in the Chair):

Through the chair.

Senator S. Syvret:

Yes, I was remarking that I thought that any kind of Seigneur claims on the seashore were resolved and the last one was the Les Pas Holdings thing after the 40-year non-claim period had gone.

The Connétable of Grouville:

Yes, you think. We have to deal with facts. The facts are that we have written to find out exactly what our ownership is, what our rights are to the seabed, before we can progress any further. We wrote on 31st August last year and we still have not had a definitive reply. That is the sort of thing that is holding us up.

Deputy E.J. Noel:

With reluctance but with a mind to the amount of business we have before us, I call for closure under Article 84.

The Greffier of the States (in the Chair):

Yes, very well. I call for the debate to be closed and for Deputy Higgins to be able to sum up.

Deputy D.J.A. Wimberley of St. Mary:

On a point of order, is there not a vote on a motion of closure? I was not sure about that. When it happened last time, I was caught by surprise.

The Greffier of the States (in the Chair):

Yes, I need to initially rule whether the proposition is in order and I see no reason to disallow it. Is the proposition seconded? **[Seconded]** Very well. Do you wish for the appel? The appel is called for. The vote is, therefore, for or against the proposition of Deputy Noel that the debate be closed.

POUR: 36		CONTRE: 6		ABSTAIN: 3
Senator T.A. Le Sueur		Senator A. Breckon		Senator B.I. Le Marquand

Senator P.F. Routier		Connétable of St. Lawrence		Connétable of St. Mary
Senator P.F.C. Ozouf		Deputy G.P. Southern (H)		Deputy of St. Mary
Senator B.E. Shenton		Deputy M. Tadier (B)		
Senator J.L. Perchard		Deputy T.M. Pitman (H)		
Senator S.C. Ferguson		Deputy D. De Sousa (H)		
Senator A.J.D. Maclean				
Connétable of St. Ouen				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. Peter				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				

The Greffier of the States (in the Chair):

Very well, I call on Deputy Higgins to reply to the debate.

1.7 Deputy M.R. Higgins of St. Helier:

First of all, I must say I am disappointed at States Members voting to terminate the debate, the main reason being that although we may be talking about a few words in the Strategic Plan, it is probably one of the most important issues that is going to affect the Island in the future. I am also extremely disappointed to hear Deputy Noel comment just as the vote was going on: “We have got better use of our time.” Personally I do not think that is the case. I think what we are talking about is the future of this Island and where we are going. As I say, I have been accused of being Machiavellian and everything else. I do not know why they just do not accept this thing. I really do believe that the economy should be more diverse. Really, they have accused me, for example, as I say, of being Machiavellian, of putting forward the idea of the economic commission. That was a suggestion in the report. What I wanted to say to the Chief Minister, I am surprised that he really does not understand the difference between what is in a report and what is in a proposition. The reason I say that was I attended the Public Accounts Committee hearings on the incinerator. We had a senior civil servant saying that they did not believe that they were going against what the States had

agreed in the proposition on the incinerator to hedge the incinerator contract because the actual wording of hedging was not in the proposition. They said it was in the report. We did not think that we had to go with it. I find that absolutely unbelievable. So the Chief Minister, who I think has just left, should have been aware of that certainly because it was his department and he has come in for criticism for that particular thing. Besides that, yesterday Deputy Martin asked the Greffier, who is chairing the States, what the situation is with reports and propositions. He made it quite clear what is in a report is not what we are voting on. We all put things in reports. It may be information. It may be suggestions or whatever. This is why I said I am not worried about whether we adopt an economic commission or not. What I want to do is make sure that this economy is genuinely diverse. I do not care if it is done by the Minister for Economic Development or it needs another agency as long as we get to a genuinely diverse economy. He is gone anyway. I have just been asked to ask the Chief Minister, except if he has already left the Chamber he is obviously not interested in this ... oh, he has reappeared. In fact, I would ask the Chief Minister would he accept the proposition. I missed what he said earlier. I could not make out what he was saying in the Chamber. Are you prepared to accept the ...

The Greffier of the States (in the Chair):

Through the Chair, Deputy.

Deputy M.R. Higgins:

Through the Chair, sorry. Is the Chief Minister prepared to accept it?

Senator T.A. Le Sueur:

No, I think we have got to the stage now we may as well go to the vote.

Deputy M.R. Higgins:

Okay, fine, thank you. Anyway the point I tried to make is I made my point first of all about the report in trying to clarify that. I thought I made that quite clear at the beginning of the debate yesterday. As I say, we have heard from Senator Maclean, for example, saying that they are doing a number of things by way of diversification. I welcome what he is doing. I have got no problem with the things that he is doing. In fact some of them I commend. The sort of business unit and trying to get new business start-ups are the sort of thing we should be doing. I also happen to agree with Senator Ferguson on some of her comments. Governments have got a lousy track record at picking winners and developing them, as has been exemplified in the U.K. (United Kingdom) when, for example, they tried moving Chrysler to Glasgow - a total disaster - at Ravenscraig. What governments have got to do is to create the environment. I accept that. It is the laws we have, it is the procedures, getting rid of red tape and so on, but it also does involve seed capital and investment. For example, if we look at the tourism industry what has happened? A number of years ago the States set up a Tourism Development Fund. It was supposed to be funded with £10 million. Never, ever did get the £10 million. We got some of it. Yes, they put money in. Where does the money go? It is funny, whenever the States or a department needs to find some money, they go to the T.D.F. (Tourism Development Fund) and it comes out of that. The money should be used for proper investment in infrastructure. I happen to believe, for example, that tourism, yes, it has declined in importance in recent years due to factors such as lower cost holidays abroad and so on but tourism still has a role to play in this Island. I believe that we should have an investment, a public/private partnership, not the one that is necessarily proposed - which I might add the Economic Affairs Scrutiny Panel is looking at - but that one appears to be focused purely and simply on marketing. I believe the States should be getting involved in the infrastructure. That could involve investing in hotels, investing in a conference centre, investing in other things to develop the economy. Anyway, just going back through some of the points, I welcome some of the diversification that Senator Maclean is engaged in, even within the finance industry. I believe that the finance sector should be diverse as well. But we need to go beyond finance. He mentioned

intellectual property. Well, fine. I am glad to see that coming along as well. But I fear on that one we may have missed the boat because many people are taking advantage of that. Their laws were changed earlier. I may be wrong but we will see. We certainly got it wrong with captive insurance because by the time we started getting our insurance law sorted out, all the other centres were well ahead of the game and we lost out. I do not think we ever got one in the end. But where I disagree with him is we do have this focus primarily on the finance industry. If I was an investment manager and Senator Maclean - or I should say the Minister for Economic Development - came to me and said: "I want to invest my money. Should I put it all in this one basket in this narrow sort of field?" I would say: "No, you are taking too much of a gamble. It is too much of a risk. Spread your risk." As we all know, investments go up and they go down. If you have got all your investments in one particular narrow category, you could lose your shirt. I would say diversify. This is what I am saying here to the States and the Council of Ministers. You are taking a terrible, terrible risk. All your eggs are basically in one basket. I happen to agree with Senator Syvret when he mentioned that it is probably more than 53 per cent. It is not just the finance industry, the banks, the fund companies, the trusts and so on. It is the legal side to it and it is all the ancillary industries including, you could say, the airlines. Some of the airline routes would disappear if we did not have some of the business travellers coming in. A lot of hotels would not be there if we did not have business travellers coming in. A lot hangs on that but we need to move sideways. I will try and address some of the specific points rather than general ones. Senator Perchard, you were going on about ... sorry, he has disappeared as well. But again it is just making the point that governments have to set the scene but it is not just the environment. It is investment as well. Senator Routier, I have answered the question about the fact the Council of Ministers tripped up on the economic commission because it was in the report. He mentioned how we are working with tourism, the fact that we put £550,000 into the latest marketing campaign, which he said was matched by the industry. It was not matched by the industry. The industry put £50,000 in. What I would say here is that it is one thing marketing the Island. Marketing is something that is here. You spend it and it either works or it does not work and you have got to put that money in again. I happen to believe that if we also got engaged in, say, building conference centres and then heavily marketing the conference centre or we were helping the hotels develop the hotel industry, then we have got something here that is tangible that will be here in a few years' time. We have the climate, we have the beautiful Island, we have the coastline and everything else. We can always attract tourists to the Island. But, as I say, an advertising campaign is either here... you either see it on television or you do not. I am not convinced that marketing is the sole way of dealing with tourism. In fact, I would also say too that I have always felt that we pay lip service to event-led tourism in this Island. I have got to declare an interest here. I am the organiser of the Jersey International Air Display. The Economic Development Department gives a grant of £100,000 towards the event. I am particularly grateful for it. The truth about this is that we have 2 major events that are funded. There is a Battle of Flowers and there is the Air Display. There are lots of other things we could be doing. There are many Islands that have a series of events. Over the years I have gone on and on. We could have a major maritime festival. We could have a military tattoo. All these things have been put forward in the past that we could attract people here. What I am saying is we need to have more events and we can attract tourism there. The investment is not going into events. It is going into marketing.

Senator P.F. Routier:

Would the Deputy just be reminded that we have a very good boat show which creates a lot of economic activity?

Deputy M.R. Higgins:

I might add I would compliment that. I thought it was excellent and it is new development. But, as I say, there are a lot of other ideas that have been put forward by lots of people which are not getting the funding because the money is either going on marketing or is being diverted to Jersey

Finance to promote the finance industry. We have already heard in the last few days - was it I think the Deputy of St. John mentioned - £1.8 million, was it you said, is being put forward to Jersey Finance to promote that side of it. Again, even when it comes to our spending it is being skewed in a particular direction. Deputy Le Claire: I happen to agree with him. I think energy from the sea is going to be a tremendous asset to the Island. I think it was the Constable of Grouville was saying about the ownership of the seabed. I think that has been well and truly established. I would like to know who you wrote to. **[Interruption]** Pardon? The Solicitor General. I hate to say it, the track record of getting answers from the Law Officers is I think on average about 6 months for getting a response so I am not surprised he has not heard. I believe they would argue they were under-resourced. However, the point is that, as Senator Syvret said, the case was well decided with the Les Pas Holdings and about the fief and the right of the foreshore. It is the Crown that owns the land between high and low watermarks but with a different fief it had been devolved to others. There are certain industries. We have no manufacturing, for example, in the Island. But Guernsey have managed to get something like Spec Savers. You can get a manufacturing plant, believe it or not, with a very small footprint. There are plenty of high-tech things and if we had a link with the universities there are ideas and various things coming forward which would not have a big impact - not a big footprint - but would be high net worth. We should be exploring with the universities. We should be looking and dealing with entrepreneurs. I am not going to say too much, other than to thank Deputy Le Hérisier for his kind words earlier. They were well appreciated. I was going to say that the cheque is in the post **[Laughter]**. However, I want people to realise that what I am saying is I am not trying to be Machiavellian or anything else. I genuinely fear for this Island and our future. The reason why - I have said it many times - is the reason I stood for election. We have too many eggs in one basket. Remember what I was saying yesterday, we do not control our own destiny. There are politicians out there in the world - world leaders - who definitely want to see the finance industry in Jersey wiped out. There are economic shocks. I was trying to make the point yesterday that when you rely on a particular industry, especially with finance, you are prone to these shocks that will come and they will cause the industry to decline. For example, we know there is tremendous restructuring going on out there at the moment. We know there are an awful lot of bodies meeting to deal up new regulations. There are new sort of coalitions of politicians getting together to try and put pressure on us. I know the Island has weathered them in the past but that is fine, that was the past. We have got to treat things on a day-to-day basis. As I say, as far as our banks are concerned in the Island, their policies are being dictated by head office. Fine, we may not have lost that many people at the moment but we do not know how many we have lost because all the employees who are being made redundant in the banks have to sign confidentiality agreements as part of their settlements. There is no formal employment register in the Island where they have to register if they are unemployed and we do not know if they are. We know that Jersey Finance have been looking at the impact of the recession on the industry. I accept there are different forecasts of what the possible job losses could be. The worst case scenario is 40 to 50 per cent of all jobs could be lost with this current recession. Others say it could be 10 per cent. I do not know. Nobody knows. What I am saying, though, is we are depending on an industry which is a successful industry. It has generated a lot of money, providing for public services. It is also feeding into the rest of the economy and if that industry goes tomorrow we are in dire trouble. I am just going to summarise and say that ... although Senator Syvret got close to what I was going to say. That is that I believe that the group in the Council of Ministers who are opposing this amendment are acting like addicted gamblers in the sense that they have just upped the ante and they are not just betting the farm. They are betting our Island's future on finance. If they get it wrong we are in for a ... I hope they have not got it wrong in that sense because I do not want to see the consequences on this Island. But I would say that it would not be a case of people just being annoyed or upset with them. I think with our French connections we could end up seeing a guillotine erected in the Royal Square because it is that serious. I ask the Members to say ... do not think anything Machiavellian was involved in the amendment. I want to see a genuine diverse

economy because I fear that if we get it wrong the consequences are going to be dire. Please support the amendment.

The Greffier of the States (in the Chair):

Yes, the appel is called for. The vote is for or against the tenth amendment, No. 1, and the Greffier will open the voting.

POUR: 36		CONTRE: 6		ABSTAIN: 3
Senator T.A. Le Sueur		Senator A. Breckon		Senator B.I. Le Marquand
Senator P.F. Routier		Connétable of St. Lawrence		Connétable of St. Mary
Senator P.F.C. Ozouf		Deputy G.P. Southern (H)		Deputy of St. Mary
Senator B.E. Shenton		Deputy M. Tadier (B)		
Senator J.L. Perchard		Deputy T.M. Pitman (H)		
Senator S.C. Ferguson		Deputy D. De Sousa (H)		
Senator A.J.D. Maclean				
Connétable of St. Ouen				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. Peter				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				

The Greffier of the States (in the Chair):

We come now to the ninth amendment which is ... Chief Minister, do you wish to say something about the amendments?

Senator T.A. Le Sueur:

Yes. Following yesterday evening's suggestion from the Deputy of St. John, Ministers have reviewed the amendments lodged to the Strategic Plan. We regard the Strategic Plan as an important document setting out the future political direction of the Island. While the Council of Ministers is very satisfied with the plan as presented we also acknowledge the right of other

individual Members to present alternative points of view. The Council has already accepted a number of amendments and after consideration is also prepared to accept 2 more. The first is that in amendment No. 3 in the name of Deputy T. Pitman and the second is the fifth part of the sixth amendment of the Constable of St. Helier which had previously been opposed purely on procedural grounds. The remaining amendments have all been reviewed but the Council of Ministers reiterates its previous views on those. But to put this into perspective, the only amendments still opposed by the Council of Ministers are the first part of amendment No. 2 in the name of Deputy S. Pitman, the second part of amendment No. 7 in the name of Deputy Le Claire, the second part of amendment No. 8 in the name of the same Deputy, and the main one is the various parts of amendment No. 11 in the name of Deputy Southern, other than 11(1)(d) which we accept. It is entirely in the hands of States Members how long we take to debate those remaining amendments on which there is disagreement. I have asked and the Ministers have agreed to limit their speeches as far as possible to a maximum of 5 minutes. I hope that other Members might follow that example.

[Approbation]

The Greffier of the States (in the Chair):

Thank you, Chief Minister. So just to clarify, the Council has changed its view on the third amendment, I think you said, of Deputy Trevor Pitman?

Senator T.A. Le Sueur:

Amendment No. 3 of Deputy T. Pitman and the fifth part of the sixth amendment of the Constable of St. Helier.

2. States Strategic Plan 2009-2014 (P.52/2009): ninth amendment

The Greffier of the States (in the Chair):

Thank you, Chief Minister. We come now to an amendment which is accepted by the Council in the name of Senator Shenton, the ninth amendment. I ask the Greffier to read that amendment.

The Deputy Greffier of the States:

After the words “attached as Appendix 1” insert the words “, except that in Priority 2 on pages 12-13 in the section entitled, “What we will do”, in the eleventh bullet point after the words “recognise the contribution made by the Tourism and Agriculture industries to a diverse society” insert the words “and demonstrate this commitment by making grants available for investment in tourism infrastructure”.

2.1 Senator B.E. Shenton:

This picks up on the theme of Deputy Higgins which is very much along the lines of invest and diversify or die. The key word here is to invest in infrastructure. We need to invest in the infrastructure of tourism, not just throw money around here, there and everywhere. I believe that the amendment is self-explanatory. I believe it is commonsense. It has been accepted by the Council of Ministers. I would like to move to a standing vote unless any other Member wishes to speak on the matter.

The Greffier of the States (in the Chair):

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

2.2 Deputy M. Tadier:

I will speak briefly. It is not for long at all. I will be backing this amendment and I think it is a valid one. What I would like to ask the Council of Ministers is the logic that they use to come to the conclusion as to whether to accept or reject in particular this amendment which seems to be very specific and somewhat out of place for a Strategic Plan by their own logic because it is dealing

really with specific detail, the how rather than the global overview. I believe that has been given for a reason, to reject other amendments of a similar nature. I would like to know what the internal logic is of that and just to ask if there is any consistency of approach. But I will be backing it because I have got no problem with the amendment. But I would like to know what kind of internal logic the Council of Ministers is using when choosing to decide to reject or to accept amendments.

2.3 Senator T.A. Le Sueur:

I will answer that one quite simply. The answer is in the comments which we presented. That has already been done so there is nothing new here to object to.

2.4 Deputy A.E. Jeune of St. Brelade:

Perhaps somebody could explain to me or clarify by inserting the words “and demonstrate this commitment by making grants available for investment in tourism infrastructure”, why is it only tourism when the other sentence recognises the contribution made by tourism and agricultural industries? Why have we only got one word “tourism” here?

2.5 Deputy K.C. Lewis of St. Saviour:

I will as usual be very brief. Agriculture has been through a rough time of late and is worthy of our support. Tourism-wise, Havre des Pas will be losing another hotel. I believe plans have been put in to demolish the Hotel De Normandie and I think another one has been earmarked for demolition, too. We have already lost the Le Plage and that will only leave the Almorah in the area as a major hotel. This area is in need of redevelopment with more hotels and consequential trickle down to tourism industries such as taxis, coaches, shopping, *et cetera*. Let us not forget all the other industries that rely on it; also the Jersey Film Festival which has been going successfully for many years. I will be supporting this.

2.6 Senator J.L. Perchard:

Just briefly as well, we have some gems in Jersey, some absolute gems that are world-renowned for their quality: Mont Orgueil Castle, Elizabeth Castle, some wonderful scenic views particularly on the north coast. I think we have something else that many of us take for granted and that is Durrell. I think it is essential that we recognise the importance of Durrell to the Island, the Jersey brand, and we support Durrell into the future. That is why I enthusiastically support this amendment. I think the States would be wise to recognise that Durrell is a wonderful brand for the Island. It does fantastic work for conservation as well. I would wholeheartedly support the Minister for Economic Development if he brought plans to grant and support Durrell and to secure its future into the next generations.

2.7 Deputy P.V.F. Le Claire:

I will be supporting the amendment and congratulate Senator Shenton for bringing it. But also I only just rose to my feet to congratulate Senator Perchard for his speech just then. I think that was an extremely important speech and congratulate him for that.

2.8 Deputy F.J. Hill, B.E.M., of St. Martin:

Just a very short one. Bearing in mind the amount of hassle that Deputy Higgins had with his proposition, I congratulate him on being successful. But the concern was expressed about the cost of what he was doing, yet there is no mention here about the cost to the States with this particular proposition which, of course, I will be supporting. But could we have some idea on how much money is going to be put into this infrastructure? I think it would be helpful.

2.9 Deputy J.B. Fox of St. Helier:

I will be supporting this amendment but I would like to just confirm what Senator Perchard said. I have just come, as you know, from Mauritius and Durrell do some very fine works out there

supported by the government and other voluntary organisations. I would just like to emphasise that we have international activity out there that we still need to be able to support at home for this to be done in other parts of the world and protect our natural environment and that of our birdlife and wildlife.

The Greffier of the States (in the Chair):

Do you wish to reply, Senator?

2.10 Senator B.E. Shenton:

Just a very brief reply. The reason it concentrates on tourism is because tourism in my opinion does need investment in infrastructure. We have seen a number of hotels close down because these are more the seasonal hotels, because you cannot make enough money in 3 or 4 months of the tourist season to justify having a tourism hotel. Therefore, you need to get the tourists all year round. I did mention Durrell in the report. Durrell is a jewel. With investment it would attract tourists all year round and perhaps it could be somewhere that we could invest. With regard to cost, I have absolutely no idea. This would come to the House separately. I would say that the costs could be anywhere between a pound and £500 million. I hope that narrows it down enough for the Deputy. It is just a strategic plan. It is a strategic aim. It is saying we must invest in tourism, we must invest in infrastructure. I put it to a standing vote.

The Greffier of the States (in the Chair):

I put the amendment. Those Members in favour of adopting it kindly show? Against? The amendment is adopted.

3. States Strategic Plan 2009-2014 (P.52/2009): sixth amendment

The Greffier of the States (in the Chair):

We come now to the second part of the sixth amendment in the name of the Constable of St. Helier. It is also accepted by the Council. I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

After the words “attached as Appendix 1” insert the words “, except that in Priority 2 on pages 12-13 in the section entitled, “What we will do” after the first bullet point, insert an additional bullet point as follows - Show the world that economic and environmental success can work together.”

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

Almost everything that I said yesterday about the amendment to do with environmental sustainability applies today, so I am not going to repeat it. All I will say is that this amendment was accepted 3 years ago. I do not believe that there are that many environmental success stories from the last 3 years. I hope that the next 3 years will be different. I propose the amendment.

The Greffier of the States (in the Chair):

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment? I put the amendment. Those Members in favour of adopting it kindly show? Those against? The amendment is adopted.

4. States Strategic Plan 2009-2014 (P.52/2009): eleventh amendment

The Greffier of the States (in the Chair):

We move now to amendments to Priority 3. Deputy Southern has a number of amendments to Priority 3 and I have agreed with him it would perhaps be logical for him to propose all those

together to assist the Assembly, hopefully, but also he will have the ability if necessary to take separate votes on different parts if Members wish to do that. So, this would be a slight change to the proposed running order. We would take amendments 1(c), but then together with his amendments No. 2, No. 3 and No. 4, which all relate to Priority 3. Are Members content to take those as read? Then I will ask the Deputy to propose them. So, just to clarify, the Deputy will propose on the eleventh amendment number 1(c) which relates to the title of the priority on page 8, and then he will propose amendments 2, 3 and 4 which relate to the detail of that priority on page 14. I invite the Deputy to propose the amendments.

4.1 Deputy G.P. Southern of St. Helier:

I too will attempt to be brief, although I think this amendment goes to the core of what I believe the agenda of the Council of Ministers is in responding to the straightened times nowadays. I point first of all to a consistency with what I was proposing yesterday on Priority 1, in that we have agreed in Priority 1 that in the applications of these priorities- including Priority 3 - due attention must be paid to the creation of greater equality. That is the linking theme throughout all of these amendments and it is the linking theme because the people most reliant and dependent on public services are the poor. If we are effectively to create greater equality in our society, which we have agreed yesterday, then we must ensure good access and a good level of public services to support the poorest in our society. That is the basic essential to maintain and improve the level of equality in our society, which I think I demonstrated yesterday would have untold benefit throughout society in almost all sectors. So, my change in wording, I believe, tries to achieve that with Priority 3 and tries to get a clear sense of direction and what 11(1)(c) says basically ... the Council of Ministers' says: "Reform the public service to reduce costs." Mine says I believe that in order to reduce those costs after years and years of efficiency savings, that means effectively somewhere in the system a reduction in services, a lowering of standards or services that do not take place, and I believe that will increase inequality in our society and thereby damage many in our society, particularly the poor. I believe that must be avoided at almost - I am saying "almost" - all costs. We cannot use the fact of a recession to cut, privatise, outsource and change our public services on the back of that because once they have gone we will not be getting them back. I believe the agenda of the Council of Ministers is to do exactly that and if you look at the whole of page 14, the strands all together, you will see that effectively, I think, that is what it amounts to and that is a very dangerous path to take. So, my amendment says: "To maintain the level and delivery of public services in an efficient and effective manner." Now, I think at a time of recession that is a proper goal for government and should be the proper goal for this Council of Ministers: "To maintain the level and delivery of public services in an efficient and effective manner." I am not talking about throwing money at things. It has to be efficient and effective, but I am saying our prime duty as a government - as any government - wherever possible is to protect the level of public services on which so many in our society rely. It more accurately, I believe, reflects the wording contained in the second paragraph on page 14 of the Council of Ministers themselves: "The intention is to continue to work to create an efficient, effective and motivated public sector that puts the customer at the heart of everything it does, which concentrates on those services the government must provide [and here we come to the change] and where appropriate adopts a more commercial approach to the delivery of those services." "A more commercial approach to the delivery of public services", what does that mean? Does it mean paying for your medical treatment? Does it mean paying for certain lessons at school? What is clear in some of the text is that it certainly means the privatisation and outsourcing of certain services. Is that a step we wish to go down? Let us look at bullet point 4 under the title: "What we will do. Promote or review private sector involvement and more commercial approaches to service provision including, but not limited to, outsourcing where appropriate." What does that remind Members of? I know what it reminds me of. It reminds me of 1980s clear vision set out by Margaret Thatcher and continued in extremis by Major and willingly, energetically, by Tony Blair. It is an outdated 20 year-old agenda which has been proven not to produce all the effective savings that we expected of it at the time or was expected of at the time. It is an agenda for privatisation. I

remind Members what privatisation means. In most cases in the delivery of public services it means that a company tenders to deliver a service, hopefully at a lower cost than currently. How do they achieve this lower cost and make a profit - because they are a private company, so they have to make a profit for their shareholders - how do they do that? History shows us what happens. Either they reduce the level of that service or they reduce the standards in that service or they reduce the terms and conditions of the workers who deliver that service in order to make their profit. That is what happens. We have seen what happens on the mainland in the U.K. Where cleaning of hospitals has been privatised and outsourced we have seen M.R.S.A. (Methicillin Resistant Staphylococcus Aureus), *et cetera*, take off because standards have fallen, wages and conditions have fallen, and patients are dying because of privatisation and because of poor standards achieved therein. That is what happens with privatisation. Privatisation of other public services; what about our utilities? Again, what are we seeing in the U.K.; privatised utilities, more and more concentration and people being held for ransom by price hikes left, right and centre; no control - no real control - over what is happening, but everyone suffers. Terms and conditions; something you expect me to talk about and it is contained in there in bullet point 4 of: "Why we must do this. Reduce costs [according to the Council of Ministers]. Pressures on finances mean that public sector staff costs have a significant impact on overall expenditure. Controlling these will set a benchmark for the private sector and thus have an impact on the control of inflation." Well, that may well be true, but let us look at what that means and what we will do and we see bullet point 5: "Review the terms and conditions of employment for public sector staff." We are already seeing the first initiative on terms and conditions of public sector staff; it is called a wage freeze. At a time when inflation is running 2.1 per cent and against the normal practice of negotiation over the mark set in March of 2.1 per cent, we have arbitrarily and unconditionally unilaterally said there will be a pay freeze, discussion over. Is that a way to encourage the public sector working together to produce an efficient, effective and motivated public sector? It is not. But according to the Strategic Plan, a wage freeze this year is just the first blow against the morale and standards of our public sector workers. I point out, at this stage, the dangers of attacking pay and conditions of our public sector workers at this particular time. What Members must do is imagine what "efficiency savings" mean. So, how do we get "efficiency savings" in the system? Eight times out of 10 I know how it is done. It means that somebody leaves the staff and they do not get replaced and instead of people doing one person's job, they end up doing 1.2 person's job. "We will divvy it out there. You take this one extra. You take this one extra. You take this one extra." The next person leaves and it becomes that person is not doing one person's job or 1.2 person's job. They are doing 1.5 person's job and the stress begins to tell. Sickness rates go up; people take sickies; people under stress; poor decisions are made; service standards go down. At some stage - and I believe we are at it - look around at any Civil Service department; look around at our own graph. Pressure, hours, stress, you have not seen anything; 80-hour weeks regular - regular as clockwork. Today we happen to have an usher - I think we may have 2 - oh, fabulous day, because they too have had their staff cut in the past 3 years and when there is a court case on sometimes there is no usher present. That is what happens. We get by, but efficiency goes down and pressure goes up; stress goes up. That is what is happening in our public sector. As I say, at a time when those stresses are going through the roof and our public sector are "working like Billy-o" to maintain any decent level of standards, we are imposing a pay cut. What we intend to do, according to the Council of Ministers - according to their Strategic Plan - is to further tighten up on pay and conditions in the coming years, while of course maintaining to the public that we will maintain standards. I say that cannot happen. I say look at staff shortages anywhere in the public sector. Look at the prison. Over the last 3 years enormous recruitment difficulties, enormous retention difficulties, sickness rates through the roof. At last - 2 years ago, was it - we got permission to increase staffing ratios. Not to what the ideal should be, but closer to what they should be. Some of those stresses are still there. I think the sickness rates have gone down, but the stresses are still there. Do not tell me you can then go on in this Strategic Plan and then reduce conditions and reduce pay in that particular area because that is a recipe for disaster. Examine the

nurses. Speak to any nurse in the hospital at the moment. Talk about recruitment difficulties; talk about using bank nurses, bank staffing and the extra costs involved in that. Talk about the stresses they are under just delivering a service day in and day out and they will tell you exactly what I will tell you now that it is getting near impossible. They are at their wits end. They are running around like headless chickens trying to hold the system together. It is very difficult and yet their Strategic Plan says at a time when that is happening: "Because we are under financial stress we shall make the conditions worse, we shall negotiate worse conditions and this is what is going to happen to your pay." Think about that in terms of recruitment. Never mind retention; how many people stick at working at the job. Recruitment; where do we recruit from? By and large in lots of specialist areas - our teachers, our nurses, our doctors - they all come from the mainland, by and large. It is U.K. recruitment; terms and conditions worse than over here and that recruitment goes through the floor. It is already present in terms of teaching staff in some areas and has been for a number of years. Reduce conditions, impose worse conditions and that will fail. We will suddenly find we cannot get teachers or particular specialists and where do we go then? That, I believe, is the danger that is contained in the unamended statement: "Reform of public service to reduce costs." That is why I have introduced the amendments I have. I will just briefly go through them and to the universal opposition of the Council of Ministers who make several comments about them and fail to address these particular issues, I believe. So, the aim says, second sentence in the first paragraph of 3 on 14: "All elements of the public sector must work together as well as with private and charitable sectors and Parishes as appropriate [and I have no objection to that] to deliver modern co-ordinated service that meets the needs of Islanders." "That meets the needs of Islanders." What are we doing? Are we doing more than meeting need at the moment; are we doing fripperies; are we doing luxuries? I do not believe we are. I do not see evidence of that - we are meeting the need. Therefore, the appropriate statement is not to reduce costs, despite the fact that financial pressures will be on us, but surely to maintain the level and delivery of services in an efficient and effective manner. Again, back to the second paragraph: "The intention is to continue to work to create an efficient, effective and motivated public sector." Motivation out the window, we start squeezing terms and conditions. It will happen. We can only expect so much from our nurses, from our cleaners, from our doctors, from our teachers and I think that point has been reached, but efficient and effective contained in the amendment: "efficient and effective manner." So, know that has changed, but a different philosophical change. That puts the customer at the heart of everything it does, which concentrates on those services and then we start into this drift to what effectively means reduced costs and the next step along by reducing the level or quality of services. That is what it means. So, 2(a), the Council of Ministers say: "Priority 3 is solely about public sector reform in the context of external pressures, particularly those as a result of a worldwide recession [and then goes on...] The Council believes it would be a dereliction of duty to Islanders if it failed to recognise the distinct possibility of reducing income in the future [not stated, but implied] and, therefore, reduced services. The Council agrees it is important to respond to the increased individual needs due to the impact of the recession." That is the text of my amendment. But they say this is fully addressed in paragraph 2(1). Well, if it is, surely the Council of Ministers will have no objection to have it reinforced in section 3 under "Public Services - Delivery of Services." What is the problem, because you see after all it is already covered in Priority 1 and we do not have to mention it again. We do not have to do any joined-up things in this Strategic Plan. Priority 1 deals with that, boom, boom, done and dusted; do not have to refer to it again. Instead we will do something slightly different in Priority 3 and tell you what it really means, without saying so. What it really means is we are going to privatise and outsource like Billy-o using a 20 year-old outdated, ineffective model that never worked in the first place. Wow, some joined-up thinking this is. So, my substitute text says: "The public service needs to take the lead in responding to external pressures, [absolutely agreed] in particular in responding to increased individual and community needs due to the impact of the recession." Is that not our duty as a government to do our best, to fight to maintain a basic level of support? Have we not been doing that on the impact of the recession just recently with our attempts to cover redundancies? Are we

not doing that with some of the Stabilisation Fund in order to lessen the impact of the recession on a whole variety of groups by pumping some extra money into the system to maintain support as the impact hits home? Well, we should be continuing it, surely, and that is what my amendment in 2(a) does. Then we go on, 2(b) to delete the bullet point: "Pressures on finances mean the public service must concentrate on essential services that meet the needs of the community." Who is to define what the essential services are? What is essential? Music lessons at school; that became the target about 5 years ago. It nearly went. I was just going to do mine. School milk. **[Laughter]** I will not touch on that because I will deal with that somewhere else. That is a small issue which will probably come under pressure again, but I think I have got it covered until the new dairy starts up because that is what we decided. I have done it for a little while. But let us take another one. How about patient transport? Now, is that essential? Can we privatise it? Can we get a better service privatising? We might be able to. Let us have it not driven by specialists who know something about first aid if anything goes wrong... Let us not have the staff that have necessarily been used for 20 years to handling people in wheelchairs and know what the routine is and let us just privatise it - I am tempted to exaggerate - and bring them on the back of any old jalopy. "You can get yourself in." **[Laughter]** Sorry, but why not? A Member opposite me just mouthed the words ...

The Greffier of the States (in the Chair):

The States are inqorate. Regain your breath. **[Aside]** Very well, you may continue, Deputy.

Deputy G.P. Southern:

Yes, a Member opposite just mouthed the words: "Shall we bring them in a hearse?" A bit extreme, but perhaps serves my purpose well. So, patient transport, is that to be privatised; is that to be essential or not? Moving on, 2(c): "Public sector staff costs have had significant costs on overall expenditure. They are the bulk of most expenditure on public services. Controlling these will set a benchmark for the private sector [we can all have a pay freeze; that is going to make it a joyful place to live] and does have an impact on the control of inflation." So, under public services we are substituting delivery of public services for controlling inflation by squeezing terms and conditions, the end result of which we may well have problems resourcing and getting staff to do those jobs. While at the same time of course - and we were all last session or the session before 'gung ho' for putting some finances and recruiting staff in children's services to the extent of £5.6 million for the Williamson Implementation Plan. Expert senior social workers in child protection do not come cheap, nor do they come easy, but we are going to squeeze terms and conditions and still maintain recruitment. Are we? I do not believe so. That is the risk. That is why I say delete that point. Then we get a statement: "The taxpayer who pays for public services expects it." Well, their Communications Unit obviously has better feelers than I have, perhaps. But I say: "The taxpayer who pays for public services expects his or her government to take its proper responsibility to maintain the welfare of all residents." That is what the taxpayer expects, to maintain the welfare of all residents. That is the job of government. So, that is why my statement is different and that recognises the maintenance of delivery of public services in an efficient and effective manner. Now, finally, in the next bullet point I have put a new one in: "We recognise that while there may be some small savings to be made from the reduction in minor peripheral activities..." Let us get real, any savings we have made have been relatively minor. Any savings we can make without cutting services will almost inevitably be relatively minor. After several years of efficiency savings there is little scope for major savings in what are core essential services. Let us "nail our colours to the mast"; let us maintain public services. Of course, that reflects in what we shall do. So, delete bullet point 2: "Determine those services that must be provided by government." Who is to say? That is another rewording of saying cut services - all privatised services - get somebody else to do them cheaper. Cheaper means worse, usually. "Work with our customers to ensure services provided meet their needs [no problem with that and here we come]. Promote and review private sector involvement and more commercial approaches [charging for things] including, but not limited to, outsourcing where appropriate [outsourcing to less well-

trained, less competent, cheaper labour, often]. Review the terms and conditions of employment for public sector staff [not in order to save costs, which is the intention of this particular section but] in consultation with representative public sector employees to ensure good recruitment and retention levels.” Absolutely vital if we are to see out this recession and come through to the other side with our public sector intact. On 2(d) the Council of Ministers states: “The Council has fully covered this issue of the welfare of residents within other priorities of the Strategic Plan, in particular Priorities 8, 9, 11 and 14. The Council of Ministers believes this amendment does not fit in with this particular priority and is more than fully covered elsewhere in the Strategic Plan.” Again, it is simply: “We have put it in somewhere else; therefore, you do not have to put it in directly under the public sector, so we support it, but not here.” What sort of argument is that? It is a non-argument. I do not believe it is an effective use of our time. Two, 3 and 4, there we go. Now, I have lost it. I knew this would be complex and I have had 3 and 4 and I have lost them, if Members will bear with me. Here we are. Sorry, Sir.

The Greffier of the States (in the Chair):

Four is the value for money issue if the Council were to ...

Deputy G.P. Southern:

Four is value for money, which is just a form of words, and I have done 2, 3, and 4. That is what I agreed to do and V.F.M. (value for money) was the last one. So, it is just a form of words saying: “The key indicators will be an increase or decrease in the value for money obtained from the public sector.” I believe that is better than the cost. Costs, as I said earlier on, will simply mean reductions. They have to; that is inevitable. So, I urge Members to seriously consider for the good of this Island, and particularly the less well off in society who are reliant upon public services, to accept all of these amendments because the dangers inherent in the formulation put forward by the Council of Ministers are such that the likelihood is that by the time we get through this recession you will not recognise the public services that we are delivering because they will be vastly reduced using a model that is out of date and we know does not work. This is not the way forward. The amended version to put our commitment behind maintaining wherever possible public services which meet the need of our people is the priority and not the priority of cutting costs.

The Greffier of the States (in the Chair):

So, of the eleventh amendment, 1(c), number 2, 3 and 4 are proposed and seconded? **[Seconded]**

4.2 Senator P.F.C. Ozouf:

This is rightly one of the big debates of the Strategic Plan. What is before Members is a key choice between reforming the public sector to improve efficiency or to maintain all public services and not deliver on an efficiency drive programme. Members will be aware that there are some very difficult discussions among the Council of Ministers in relation to the setting of the 2010 Business Plan. It is fair to say that the discussions about expenditure are tough. They have been described as, I think, some of the most difficult spending discussions that any Council of Ministers or, previously, Policy and Resources Committee has had for a number of years. In some ways that is a good thing because Ministers are discussing priorities. There are some real discussions about what is important. On the one side the Council of Ministers has clear messages from individual Members, from members of the public that they do not want to see increased taxes. I think that it would be inconceivable in a downturn to put any increased burden on taxation during the period of recession. On the other side, it is also fair to say that there is an incredible wall of increased demands. Members will be aware of the proposition that I lodged a couple of days ago in relation to the Reciprocal Health Agreement. That puts on the States bill an additional £3.9 million, not only for this year but every year, an expense that I do not think that any Member would say that we can avoid. We have calls for improving our childcare services which will be of agreement of, I think, all Members of the Assembly, and need to make investments in those areas. We have

propositions by good Constables on, for example, the States needing to pay rates on their buildings. We have calls, as we heard in Question Time, on the need to invest in our mental health services, perhaps putting a better arrangement in place for people that would be otherwise in prison. We have issues in relation to the sewage network. We have issues and calls by some Members to increase the incentive for income support. We have calls for extending primary healthcare. We have calls for better protection for redundancy, for investor compensation and other consumer protection arrangements. All of those calls for additional expenditure are no doubt very laudable. Some are necessary; some are going to be unavoidable; some will, if we find the money, no doubt make Jersey a better, fairer and more caring place. If we are to meet some of these calls for additional expenditure then we have effectively 3 choices: either we raise taxes, we make the States more efficient or we prioritise services and redeploy existing resources into some of these more needy areas. Deputy Southern, as the prime mover of this alternative approach, has, I think it is fair to say as I explained yesterday, ruled out most tax increases for virtually anybody apart from the wealthy. He shakes his head, but that is the reality as I explained yesterday. Deputy Southern, in addition to ruling out taxes, also rules out virtually any ... unless he has got something new to say, I will give way, but I am not minded to. He has also ruled out any efficiencies in the public sector. He says - and it is very clear in his wording under amendment 2(e) - that there can be no efficiency savings in the public sector. So, I wonder whether or not that statement would find favour with the members of the general public who elected us. I do not believe that any organisation cannot find efficiency savings. I do not believe that there is any Member sitting in this Assembly today that believes that there are not some areas in the States of Jersey that in our £500 million expenditure has not got an opportunity to do better. I do not want to suggest for one moment that there is that massive inefficiency in the public sector. I also do not want to send out a message that the Council of Ministers in this Assembly are unappreciative of the enormous work that is done, the enormous good work that is carried out by many members of our public sector who at times work under extreme pressure and extreme negativity from some quarters within this Assembly. I want us to send out a very clear message that we appreciate the public sector and that we appreciate the work that they do but, of course, there is always a requirement to do better. There is always a requirement with more modern innovative technology to get better value out of all levels of expenditure. Deputy Southern characterises the Council of Ministers I think as having an uncaring approach. He also made a number of remarks in relation to privatisation and I just want to kill this particular 'bogey man' before it gets any further. So, the Council of Ministers and I are not slaves to the dogma that the private sector is automatically always better. More efficient services can be delivered by the public sector and, indeed, I would go as far to say that in fact private monopolies are sometimes worse - particularly when they are unregulated - in delivering value for money for taxpayers. I am, as Members will be aware, reviewing our arrangements with utilities to ensure that taxpayers are getting better value for money for some of the monopoly provisions in the private sector. It would be wrong to say that a vote against Deputy Southern is a vote in favour of privatisation. It is not. It is about looking at where and how best we should structure our services and where we can find the best value for money for taxpayers in delivering services. So, in Deputy Southern's proposal ... and I would ask Members to turn to his amendment and look at the statement where he is saying that he justifies his proposal in relation to financial and manpower implications. It is very short. I think it will be fair to say that effectively he is virtually passing the whole of the responsibility for the financial matters to the Treasury. I am not going to give way. So, he has ruled out taxes; he has ruled out efficiency savings; he has ruled out privatisation. Now, either he knows an industry in Jersey that is even more profitable than financial services or he has found a reserve that I have not in the States Treasury to pay for it or he is not telling us something. I think it is clear and I believe that the very foundations of the success of the Jersey economy have been based upon low taxation and a reasonable percentage of government spending by the Island. I think this is a vote in favour of a completely different approach and a completely different future for the way that we organise our public sector spending. There are some tough decisions about prioritisation which we are going to have to take. There are some services that we need to question

as to whether or not we continue, whether or not we continue to provide them in the public sector, perhaps in liquid waste which is unique in the world in being provided by government; maybe there are cases that we need to look at services and see where they should be better provided. Certainly, all Ministers need to look at where the money is being spent and identifying whether or not they have higher priority areas to spend; whether or not we are going to have to put money in children's services, in mental health services and we are going to have to sort other services in order to put and allocate money in those higher areas. There are some tough choices to make. I am afraid what Deputy Southern is asking us to do is to cast the entire amount of public expenditure at the same level and not look at prioritisation at all. The key word is "maintain". Now, I ask Members is that what they want to do? If Members want to vote against any saving initiatives, any efficiency drives, any proposition that looks at prioritisation; if they want to vote in favour of the inevitability that such a proposition will lead to much higher taxes and a greater percentage of government spend, then they should vote in favour of Deputy Southern's amendments. If they want to vote for efficiency; if they want to vote for modernisation of our public services; if they want to vote for sensible reform; if they want to vote in favour of better value; sensitive caring prioritisations of current spending, then they should vote against all the amendments that the Council of Ministers is proposing. I want to deliver a States of Jersey who will work hard to deliver better services, more caring services. I urge Members, with the exception of the value for money aspect of the amendment, to vote against all the amendments.

4.3 The Deputy of St. Martin:

I was hoping I was going to be able to speak before whoever was going to respond on behalf of the Council of Ministers because what I was going to ask and I will be asking ... and maybe the Chief Minister will provide the answers because I really was pulling my hair out listening to Deputy Southern and I am sorry if I felt a bit cross at him, because really we are talking about trying to get efficiency and here we are spending well over 30 minutes making a proposition. **[Approbation]** By all means the Deputy is well entitled to speak to it, but I do think we have also got to look at our own efficiency and our own efficiency in this House. I echo the words spoken last night by the Constable of St. Lawrence, we have really got to get on with this. Why I wanted to speak early on this particular debate was really to see why this cannot be accepted. Really when I see the difference between what is being proposed and what is here, I just wonder why we have got to spend all day talking about nothing. **[Approbation]** If I am sounding cross it is because I am cross and I do apologise. But really when we look at page 14 it says: "Reform the public services to reduce cost" and now it is going to be "improved efficiency". Where is the word "reform"? Nowhere in the report does it say anything about reform. So, where is it? All we are doing, in fact, is very much maintaining what we have got, which is very much what Deputy Southern is saying. So, Members, I just ask that we do not spend all day here because what we will probably end up doing is that those 17 who vote the normal way ... and there is no way I am a J.D.A. (Jersey Democratic Alliance) supporter, but I do not have a problem with this amendment and most of the amendments in here I do not have a problem with because all they are is a wish list. It is how they are delivered and when they are delivered that really matters. So, I would just ask Members to get on with it and we do not need a debate. If we do not really want to vote for it, vote against, but do not spend hours and hours debating on a play on words. But maybe the Chief Minister can tell me where the reform is going to come in within this report because nowhere in this report, on this page 14 or ... sorry, on the headline anyway, but where is it saying about reform? Where is the report to support the claim that we are going to have reform?

4.4 Senator S.C. Ferguson:

Yes, Members have been talking about the efficiency of the States with regard to the Strategic Plan. My Scrutiny Panel is already on the job and looking at this as it comes under the Chief Minister's Department and we will be coming back to the States as soon as we can, with a proposition even. I think the Deputy of St. Martin has missed the fact that what we are looking at is somewhat of a

philosophical choice facing us. I was with the Deputy on talkback a few weeks ago and he defined the difference between my philosophy and his philosophy in that he likes “big government”, which people may like to consider and realise means centralised control, and I do not believe in “big government”. Yes, we should have a safety net for the less well off in our society, for those who need that assistance. I have no problem with that. That is commonsense, based on the solid religious principles of tithing your income. But I am sorry, my views on government expenditure are based on evidence on the work of the Public Accounts Committee and the work of Scrutiny and of the Comptroller and Auditor General. In fact, as those of you who were on the same platform will remember, I ran for election on these particular views and I think some of you got a bit fed up with them, but that was what I ran on. The Deputy wants to maintain the level and delivery of public services and all the other bits and pieces are part of that and obviously he wants to retain the actual level of public expenditure, the amount as it is now. I have, in fact, heard him say that the only choice facing us is to increase taxes to pay for this and perhaps he would like to confirm this. Yes, well, this is the same rationale used by governments not a million miles away from us to the north where the population has been encouraged to pay higher taxes and then accept handouts from the government as a right instead of being allowed to retain and spend their money as they wish. It is far better to keep things small, to keep things localised, rather than to take control in the centre with a large government. We desperately need more efficient, less intrusive government. Two or 3 years ago with the smoking policy we brought in a tobacco commissar. I mean, is he still around costing us the best part of a £100,000 a year? Those sorts of things need to be dealt with. The Deputy may not realise that all businesses - certainly in the private sector - are always looking at ways to make efficiencies. I am sorry he is not here to hear me. We cannot forbid the Executive to look for better and more efficient methods of providing services. This amendment changes the philosophy of Jersey, of the government, and it removes that freedom from them. I ask the Members to vote against these amendments.

4.5 The Connétable of St. Helier:

I welcome the Minister for Treasury and Resources’ statement of support for the public service, the public sector and also that he is assuring Members who vote against these amendments that they will not be seen in his view as supporting privatisation because that is certainly very important to me. I must say that despite the Deputy of St. Martin’s comment which ... I think quite wisely he picked up on the word “reform” has been left in there, and I would be interested to know from the mover of the amendments whether he meant to leave that or whether he would have preferred to have taken away the idea altogether of reforming public service. But I think the Deputy of St. Martin is ...

The Greffier of the States (in the Chair):

Sorry, Constable, you cannot mislead the Assembly. The Deputy does substitute the entire title with: “Maintain the level and delivery of public services in an efficient and effective manner.”

The Connétable of St. Helier:

Then he does remove the word “reform”, yes ,absolutely. The alternative, as the Chair has reminded me, if these amendments fall is to leave the idea of reform in and to replace the words “reduce costs with improved efficiency” which is my amendment which the Council accept. What really worries me in this suite of amendments is a line way down where the Deputy assures us that there may be some small savings to be made, but after several years of efficiency savings of little scope from major savings I would find that very hard to sign up to. To say that we cannot make major savings in the way the public sector delivers services, I do not believe that stands up to scrutiny and I am aware that the Comptroller and Auditor General has had things to say about that, but if you apply that rule across the board I do not believe certainly I can subscribe to it. I think there is scope for savings and I think to say today that we are effectively saying to the taxpayer that we want to maintain everything, we cannot reform anything, we cannot change anything, put in the

words “efficient and effective” to perhaps make them feel better, it is not going to deliver the improvements. While I remain absolutely committed and I echo the words of the Minister for Treasury and Resources that a well run public sector workforce can deliver a service better than a profit-orientated private one generally speaking, it does not always happen, but I believe that is worth aiming at. So, I find this very hard to support these amendments. I think it is unfortunate (a) that the Deputy spoke at such length on his proposition; but (b) that he did a bit of ‘shroud waving.’ He focused on hospital patient transport services. Well, I am not thinking about those services when I look at the public services that I would like to see reformed, but it was a convenient one to pick up because it may have persuaded Members to support him. I would urge Members to think very hard before they support this because I do believe that it is, as other Members have said, a complete change of tack for this Assembly.

4.6 Deputy M. Tadier:

I want to take a slightly different approach and address some of the underlying issues which I believe I have and I suspect other Members have. If there are times when this Assembly has gone inqorate during this debate and at other times there has been certainly not a full complement of Members in here that is surely indicative of the problems that we all have with this whole process of a Strategic Plan. I think lots of Members across the ideological divide all have a problem with this issue. Now, I want to pick up on the key arguments that people are using to object to Deputy Southern’s amendment here. I think it is very sad that we are all descending into pettiness and I accept that I have probably been guilty of it as much as anyone else. Now, that is politics. Now, if Deputy Southern chooses to take half an hour to bring his speech and amendments then he is perfectly entitled to do that. I think this is a profound ideological and philosophical difference that even Senator Ferguson has referred to and it is quite right. I am sure the Council of Ministers spent many hours over many days, weeks and months preparing the document. It is only right that Back-Benchers, if they disagree with a certain wording or if they disagree with ideas, they also prepare and they be at least allowed 10, 20, 30 minutes if they see fit. Of course that does not mean that we cannot all opt for “efficiency savings” when it comes to speeches. Now, it is quite revelatory that even though the Connétable of St. Helier brought an amendment to change the words: “reduce costs to improve efficiency” that has been accepted and I think that is a good thing because obviously reducing costs does not equate to improving efficiency. It should not do. It has been accepted, but I think the fact that it was not put there in the first place is quite indicative of where the government and the Council of Ministers and their ideology is taking us. Their first thought was not to improve efficiency, it was to reduce costs. So, cost is the ultimate driver here. It is not about the quality of service and it is not about the cost benefit analysis of what we get for our money. Initially, they are thinking: “Reduce costs, we need to save money.” It is short-termism and again it does not have any kind of long-term plan. Let us give an example: I believe it is an example of a false economy. Now, I was told quite a long time ago when I did a taster course in economics at university by my professor about what short-termism and what a false economy is. So, let us imagine somebody who has not got much money. They can only afford to buy a cheap pair of shoes, so they can only afford to buy shoes which cost £10 because they can never have any more than that because they are being taxed too much. They have to pay G.S.T. (Goods and Services Tax), fuel prices are going up, all the rest of it, so they can only afford £10 at any one time to purchase a pair of shoes. So, what they do, they go and buy a pair of shoes and 6 months later their shoes have got holes in them because they are not particularly well made, and they go back. So, over the course of a 5-year period they have to buy 10 pairs of shoes and the shoes cost them £100. Somebody who is a bit better off thinks: “Well, I want to get a decent pair of shoes so I will invest in a nice brand” - I will not name any particular brand - and it cost them £70 and those shoes, because they are so good, last for 12 years. So, they have bought a pair of shoes which lasted them 12 years and cost £70, whereas the person in dire straits has to spend £100 on shoes every 10 years. That is a very simple example. So, it is not all to do about costs. We obviously need to look at the cost benefit analysis. Now, the other reason, people are saying: “Well, I cannot subscribe to Deputy Southern’s view

because it puts us in a straitjacket. I do not agree with all this. I do not think that we should be doing this, this and this,” and that may well be true. But then again, I certainly cannot subscribe to the manifesto, so to speak, that has been put forward by the Council of Ministers, because if you read between the lines, it is patently obvious that they wish to cut public services. When they talk about efficiencies, we only need to hark back to the 1980s in the U.K. under the Thatcher Government and the legacy that remained after that. When they talked about efficiencies and privatisation, we only need to look at the railway system and the complete mess that was made over there, something which should definitely have been kept in public hands, and because it was sold-off and privatised we have this weird relationship whereby the tracks are owned by the government but the actual companies that run the trains are not. It is a complete mess. I do not want to see the same happening in Jersey. So, I certainly cannot subscribe to the unamended version of section 3 to reform public services. It may well be also that Members cannot subscribe to the exact wording that Deputy Southern put forward. But that only leads me to my next point: what is the purpose of having this Strategic Plan? Now, Senator Ferguson talked about - and let me try and get the quote correct - it is not the time to have a change of philosophy in our government. But the question I would ask is where is the legitimacy of this philosophy of the government? Has the government ever professed a manifesto which says we believe in minimalist government, which I do not, frankly. I believe that government needs to be flexible and it needs to be able to intervene when necessary, and I believe that there is a bigger scope for government. I would like to see more public ownership rather than private ownership, but that is my personal opinion; others do not share that view. But the trouble is we do not have any consensus, first of all, of what the public want because we do not ask them, and they do not tell us through the ballot box because for whatever reason - and I gave some possible reasons yesterday as to why they do not vote - there is no clear ideological choice for them in identifying which candidates stand for what, really, because we say one thing, some of us, and then we change it as soon as we are in. So, that is the underlying problem. So, I would ask, where is the legitimacy, where is the consent for this document? It clearly is, as Senator Ferguson said, tending towards the right. It does have a minimalist government approach. I have not signed up to that. I do not necessarily believe the public have signed up to that; and so that just begs the question, why are we sitting here debating this document if some of us cannot agree with the Council of Ministers, some of us for some reason cannot agree with what Deputy Southern is proposing here? I would just take a more liberal view and go for the actual philosophical direction that this is taking us. If you want a right-wing government, then go with what is here; if you want a government with more of a social conscience ...

Senator S.C. Ferguson:

Point of clarification. In fact, I said big government and little government.

Deputy M. Tadier:

I understand, but I think that is implicit that the right-wing model has minimalist government and more centre-left government would have more government intervention. I take that as read. I do not think I am contradicting there. So, basically, I am going to reject this document. Someone might have asked: “Well, Deputy Tadier, why did you not bring amendments yourself?” Now, of course, a Back-Bencher has 2 choices. You can bring an amendment and then you will get a lot of flack for it because you will have been seen to be wasting States time, or you can not bring an amendment. I chose to go down the road of not bringing amendments because I believe that the document is so flawed that it would have been laughable to try and tidy this up. There is an expression which is used outside the House, and I always have trouble remembering which nationality it refers to. I can never remember whether it refers to the Turks or the Kurds, but it certainly refers to polishing one of those particular nationalities. It is either polishing a Turk or polishing a Kurd, but I cannot strictly remember. But I believe that in bringing amendments this is what I would be doing to this document, because I believe it is so deeply flawed - it is so removed from my particular ideologies - that I cannot support it. So, unless I see some significant

amendments being adopted which I feel comfortable with, and I do not see that being forthcoming from the Council of Ministers, I will have to reject this. Another point: I do not like this kind of dialectic. I will explain what I mean. I was told by a Member during the population debate that it did not matter whether we voted for an increase in the population by 8,000 because we are not committed to it; it is a 3-year document and it is meaningless. So, surely by the same token, you could have just flipped a coin and then voted the other way. So, it just again begs the question of what are we doing here with the strategic debate. A serious question needs to be asked: can the Strategic Plan just be submitted as a report? Because it is obvious that Back-Benchers can have no influence over what goes into it. I will leave my contribution at that. Sorry if it sounds slightly pessimistic.

4.7 Deputy J.A. Martin of St. Helier:

I will be brief. Senator Ferguson said it is about philosophy. I think I have been as long in the States and respect Senator Ferguson, and I hope she respects that she and I obviously have a very different philosophy. Outside of that I agree with everything she says. **[Laughter]** Now, I just have a few simple questions for somebody from the Ministry. Obviously the Treasury Ministry has answers. The proposer of the amendment asked to maintain the level and delivery of public services. Now, I go back to what has been happening over the last 2 or 3 years. We have found out we have got 2,500, nearly 3,000 more people on this Island. Yet, if you look at the budgets for our essential public services - and to me an essential public service is something that somebody will not, cannot, is not expected to do for themselves - it is maintaining parks and gardens, it is collecting rubbish, it is cleaning the roads. The list is endless. As I say, we have to my knowledge 2,500 people - probably 1,000 more homes - needing that public service. Yet I cannot see where the budget has been stretched that far. The Minister for Treasury and Resources said public services are paid for by the taxpayer. Now, I totally agree. Either the taxpayer pays that to a States body - the States department - or they pay it to a private company, through the States of Jersey that would be. Now, the Minister did also say private is not always the best. Well, if I could find a private that was doing better, now they may be on the edge of looking at the bottom line value, a high value contract. I will not name the department, but I know that they have put practically everything out for privatisation, and they do a lot of work from gardening to decorating. It is now down to one company, near enough. I have never seen another company. But the workers - the ones I have spoken to, and the ones who can speak English and that is no reflection on the worker - are on the minimum wage. They subsidise their income by Income Support and a very high rent subsidy. Now, whose bottom line? Are any of these ever added up? No. I am glad I followed the Constable of St. Helier this time because, you know, he wants efficiencies and reform, but he does not want to maintain. Now, that did not go very well with me to his utopia of our new St. Helier with our beautiful open spaces and parks. I want to know who is going to pay to provide these beautiful things for St. Helier which I want to see very, very much. Nobody is going to pay for them and they are not going to be provided, certainly not in my lifetime. My utopia of St. Helier is exactly what it is. There are blotches, there are blots on the landscape and they are still there. So, the Constable tries to make out that St. Helier can be a lovely, lovely place, but nobody wants to pay for these brilliant spaces that the public need if they are going to be crammed in. Do not forget, even in St. Helier there are residents who will say: "Not in my backyard," and they will get on to their district representative or even their Constable at times and say: "Move it," or: "Why have we not got this?" So, is efficiency saving their reform? As I say, my philosophy is: "It might not always be best to be public," but it certainly in my experience it is not always best. The Comptroller and Auditor General is looking at these things. How many times have we seen... you go out to contract to the private sector; there are only one or 2 companies who provide the service on the Island; they come in very low for the first 3 years, and then they have got you, and then they go up. As I have already said, what are they paying their workers and what is Government handing them out in levy? Wages in the right hand, benefits in the left. It is a false economy, and I still have not had it answered as to why have we not seen our public services go up in the last 2.5 years.

Where is the money for this extra population? They are living somewhere; someone is emptying their bin. The rates seem to be going down. So, I would say that at the moment we are stretched to capacity. All right, the Minister for Treasury and Resources says there may be efficiency savings. I do not believe it. All I hear is that everything from the Children's Service to hospitals, everything that is core, plus others, are absolutely bursting at the seams. So, I do not have a problem with maintaining. I really cannot see how we can cut. We have just found out we have nearly 92,000 people. I keep forgetting the figure. Nearly 92,000 people on the Island, and all our figures seem to be concentrating on 89,000; and we probably are putting money out for that into the public service, into the rates. So, somebody somewhere will be paying, and as I say it will always be through the States of Jersey for a public service, but what the States cannot control. All they will have with a private company is a service level agreement. They cannot dictate what they pay their workers, and very rarely terms and conditions. I have seen people hanging from 8-foot or 10-foot trees on a piece of rope. I know it is against health and safety, but their bosses told them: "Mate, up that tree or off you go." Sorry, I cannot support this amendment and, as you say, it is because of my political philosophy.

4.8 The Deputy of St. Mary:

We are again at one of these amendments which the Council of Ministers could perfectly well have accepted: "Maintain the level and delivery of public services in an effective and efficient manner." I mean, really, how can you quarrel with that? Or are we at the moment providing services that are totally and absolutely useless? Otherwise, how can we cut them, unless they do not serve a purpose? So, there is a problem here again, and that is why we are debating it. It is not minor matters. There are important matters. As Deputy Tadier rightly said, it is slightly odd that so few States Members are in the Chamber to follow these debates. Maybe they are listening outside, which is fine. I think the reason for that is about that word "strategic". We would rather do bag limits. We would rather do the admin, basically, than do the real strategic direction for the Island. But, my goodness, that is badly what we do need to get right. I want to pick up on the words "reducing costs." Those are the words that Deputy Southern's amendment seeks to take out. The headline on this priority: reform the public service to reduce costs. If you look at the bullet points on page 14 in the original document - I do not know about the Greffe's version - but page 14 in the original Strategic Plan, if you look at the third bullet of "Why we must do this": we have "Pressures on finances means that the public service must concentrate on essential services that meet the needs of the community." Meet the needs of the community. "What we will do": the third bullet again "Work with our customers..." I do not like that word; I thought they were citizens or residents of the Island, but anyway: "Work with our customers to ensure that services provided meet their needs." Now, I have no problem with providing services that meet the needs of the residents of the Island. That is exactly what we are supposed to be doing. But I do have a problem with the context, and that is why the amendment is important. The context is the mindset; that is what bothers me. The context is these overriding words "reduce costs". That is what it is really all about. Just to make this point absolutely clear, in the "Key Indicators"... Key indicators, that is what we are going to track to see how we are doing. The first bullet point: "Increase/decrease in the cost of the public sector." Well, is the key indicator whether we increase the cost, or is it whether we decrease the cost? It is meaningless anyway, because you have to measure value for money and not just the cost. So, you can see that even the key indicator has not really been thought through; we do not even know which way it points. Now, a general comment, first of all. I do not have a problem with public services, and I do not understand why other people have a problem either. This is where the community pools its resources. This is where we provide facilities, services and opportunities which benefit all of us, and there is some kind of problem here. Well, I cannot see what the problem is, although I sort of know what it is. The problem is, although public provision is necessary and benefits all of us, there are some who for ideological reasons wish to reduce the costs of providing public services willy-nilly. So, where do these ideological reasons come from? Are they learnt at mother's knee, or are they learnt at business school? When I read

the Chamber of Commerce newsletter sometimes, there is this attitude in there in some articles that public expenditure is a cost; it is bad; it is something we need to drive down because we do not need it. It is a cost on business, i.e. the taxes on business that fund the public services are some sort of cost. Well, in fact, without the public services there would not be any businesses. Well, there would, but they would be rather different in shape. Public expenditure funds the roads that those vans drive down to deliver the stuff that you have just bought from the shop. Public expenditure educates the workers that work. I am looking at it very instrumentally here, just in terms of economy, not in terms of the real value of education. Your trained and educated workforce obviously delivers support for the economy. I mentioned health. Finally, the most important aspect of how public expenditure and the way the public feels about itself, supported by public expenditure, is trust. I remember when I was running my business, Jersey Cycle Tours, I realised - and obviously I have got the idea from a book - how important trust is in business. Without it you would have to check everything. You would have to make sure that so-and-so was not nicking £2, and so-and-so was not doing this, and so-and-so was not doing that. Basically, 99.9 per cent of the time, we trust each other. We put the change in our pocket; we do not check it ... quickly, maybe. **[Laughter]** Well, yes, perhaps. But the fact is that most business transactions and most behaviour are full of this trust, and that is built on a whole substructure of how we are together in society, which also depends on public expenditure in one form or another. So, I just leave that thought with Members: the ideological reasons, what is wrong with public expenditure? So, that was my first point. The second is I have no quarrel with productivity gains. I have no quarrel with efficiency. But I do have a quarrel with how those words are interpreted. Now, the amendment says: "Efficient and effective manner," and I can go along with that as long as we make sure that what we mean by efficient is not a vision of a hamster in a wheel, treading ever faster. Deputy Southern did allude to this: how much more can you get out of a person? Well, we will cut a few staff and then they will do 1.2 jobs. This is the hamster version of efficiency. How much can you get out of somebody? I am sorry, I do not subscribe to that view of humanity. I believe in a very different version of what work is all about. So, by efficiency I mean again this old chestnut, and it is in the Strategic Plan and it should be, drive down the energy usage and, therefore, carbon consumption of all States activities. That is the sort of efficiency that I want to see delivered by the Council of Ministers. Another example which is very apt because it picks up on what Senator Ferguson said about the Tobacco Tsar, in 1993 I did a short stint at Public Services as it then was, and the debate round the office was - I think I have mentioned this before but it is so important I am going to mention it again - about the utilities and the way they dig up the roads and damage the integrity of the road surface, thus causing millions of pounds worth of damage year on year, and that problem is being resolved 16 years later. So, from the Chief Officer we have not had the prioritisation; the politicians in charge do not seem to have noticed that millions of pounds have been going down the drain. Now, that could have been addressed if somebody had looked at that issue and sorted it out in the way that it is now being sorted out, with a legal remedy, a new law to control the actions, license the actions of the utility companies. Then the Island - the States in this case, but the Island as a whole - would have saved millions of pounds by spending some money on somebody to do that essential work. The Tobacco Tsar, that is funny, is it not? The Tobacco Tsar will save the Island hundreds of thousands, if not millions, of pounds in reduced health costs. I would have thought that that is a good investment, and there are other examples, plenty of other examples. My favourite, of course, is transport. If you promote environmentally friendly forms of transport, in particular cycling and walking, you will get benefits; you will get gains in resources, in health, in wellbeing and in mental alertness as I prove every day. **[Laughter]** But it is not just me; it is statistically sound. There have been studies made that people who cycle to work show more mental alertness; that school children if they walk or cycle to work are in a better state of mind in their lessons if they have had that oxygenating experience of using their body in order to get them to school. So, that is the sort of efficiency gains that are possible. I fully agree with the Minister for Treasury and Resources, efficiency is important, but I am not sure that we agree on the definition and I do hope that they take those sorts of points on board about resource use and about health and

about investing to save. Now, my next point is real public expenditure. These are the sort of things. I cannot imagine how we can quarrel with this sort of provision. The thing that really gets to me is the Les Quennevais Sports Centre, the swimming pool provided for all. Are we all expected to have a swimming pool? Just how much would that add to G.D.P.? Well, a lot. Lots of people running around in vans and digging holes in people's gardens and putting them in, and then we can all swim in our own swimming pool. But there is something to be said for a shared swimming pool. I can see there are certain Deputies who have funny minds, **[Laughter]** but I will go to a second example, shall I, moving quickly on? The community centre in St. Mary was built by 50 per cent fundraising by the parishioners of St. Mary and 50 per cent was grant aided by E.S.C. (Education, Sport and Culture), and that facility performs the same function as the swimming pool and libraries. They save resources. We do not all have to go and buy the latest book; we can go to the library. But you see, there is something else that is going on. It is not just saving resources. We are all providing for each other, and that is what we mean by the word community, and community is used quite a bit in this document. But what does it mean? It means sharing things; it means going to the library; it means using the community centre in St. Mary; it means going to Les Quennevais Swimming Pool. He is not here, the Deputy, but going to the swimming pool in his district and enjoying the sauna there, which I could not afford to build on my own, and nor could most other people. This is what is being built up by public expenditure: community, solidarity, being with each other, providing for each other, and I cannot see how this value is somehow bad. The more obvious examples, of course, schools and hospitals, those do not need stating. I am focusing on the bits that might get cut. I am focusing on the bits that are marginal, not really important; it is only a community centre and so on. I believe that in this climate of cut, cut, cut, we will have to look at what is going to go, and I am truly fearful. Senator Perchard mentioned Durrell earlier. Well, that is indeed a jewel, and I know the inside story of Durrell because my wife used to work there. It is a fantastic place, but in an atmosphere where we do not have any money and we have got to cut everything, how realistic is it that we will support Durrell in any meaningful way? One of my favourite experiences each year ... and I am speaking personally, but it is a wonderful event. You go to Dolmen de Grantez on a midsummer evening, and I recommend it, the midsummer evening solstice concert that they have, Dolmen de Grantez, on the slope. You have the view of St. Ouen, the sunset and a band hired by the Jersey Art Centre; each year a different kind of music; everybody comes, picnics and enjoys that shared experience of that kind of music in that kind of environment. That is really what makes Jersey special. That is a fantastic experience. You could only have it in Jersey, and it is paid for by the taxpayer. It costs virtually nothing, but it costs something. Maybe, I am almost frightened that I have mentioned it. So, we talk here about core services: "Let us just keep the core services. Let us just look after people who have had an accident, or need to go to school." I am sorry. It does go wider than that, and we need to bear in mind the true value of public services. Now I move on to inequality. Yesterday we agreed, did we not, and the Minister for Treasury and Resources and we all agreed in fact that we are going to bear in mind or give attention to inequality. The best way to reduce inequality is to provide shared resources for everyone to use. I will refer Members to the answer to the written question, which I asked at the last sitting of the Minister for Treasury and Resources, and we have here a table of general government expenditure as a proportion of G.D.P. You will not have the table, but the statistics here I have read carefully and they are quite valid. They are not comparing not like with like, you know; they have been worked on to make sure they are comparable. Jersey's percentage of G.D.P. spent on general government expenditure was a technical term that includes some things and not others. So, it is comparable; it is 26 per cent. So, Jersey spends 26 per cent obvious G.D.P. on public expenditure, and every other country in this list spends more. It is not just Denmark, 53 percent; it is not just Denmark with its known social provision at double Jersey; it is not just Norway with 39 per cent, substantially less but then they are a lot wealthier than Denmark. But if we look at Luxembourg, which is comparable to us - it is a small jurisdiction that is very wealthy and is based on financial services - they spend 51 per cent of their G.D.P. on public expenditure, services, opportunities, shared resources for their people.

Australia, not well known as a bastion of socialist thinking: 35 per cent of their G.D.P., and so it goes on and on. Even the U.K. under Blair and previously whoever it was - Major and then Thatcher - 43 per cent. So, Jersey is seriously out of line, and if we wonder why people complain and why people bellyache about things, then we have only to look at those figures about low tax. There is another point which we forget about this business of the percentage of G.D.P. Jersey is a very small jurisdiction. We have 92,000 people. That costs more. It always costs more. We are having to provide, for instance, a public library for 92,000 people. If you were living in Brighton there would be a public library for 200,000 people or whatever it is. So, proportionately it is more expensive because we are in a small jurisdiction. Why do we keep our independence? Because we value it and because it brings in a lot of money via the finance industry. Without our independence it would not be an offshore centre if we were part of Hampshire. So, we keep this independence but it costs. So, that 26 per cent is, if you weight it, because we are small, 24, 23, 22 per cent. So, we are spending a lot less than other jurisdictions. I go now to the sort of things where we make our savings. There was a letter in the paper recently: "This is not a prison. The hospital unit desperately needs a coat of paint." I will read out the last 2 paragraphs. They indicate what we are about in this debate: "Surely it is not too much to ask that we have a facility which not only empathises with the emotional turmoil experienced by patients and relatives [they are talking, I think, about a mental health assessment unit] but which also reflects the dedication and the care shown by the carers, from the outside in." It is an assessment unit for mental illness patients. "Perhaps if Princess Anne had visited St. Saviour on her recent trip, more attention would have been given to first impressions." The gist of the letter is: "That unit needed a lick of paint, but of course we could not afford it or we did not have the staff to do the painting." My second example is closer to home. It is my home beach of Grève de Lecq. I do not know if people noticed it; there was a letter in the paper 2 nights ago, I think, about the disgusting state of the beach because T.T.S. (Transport and Technical Services) can no longer send people out at the weekend, I think it was, and so the cafe owner had to clear up the litter from all over the beach which the gulls had helped themselves to in their characteristic fashion to the point of overflowing.

Connétable M.K. Jackson of St. Brelade:

On a point of clarification, if the Deputy will give way, the Sunday beach clearance system starts this weekend, so that situation should not arise in the future.

The Deputy of St. Mary:

Thank you for that clarification, Minister. The letter pointed that out and said that the tourist season starts in May or even Easter, and it is a little bit late to be dealing with it in June. That is precisely what we are talking about. It is what sort of quality are we going for? How low will this Island sink? I do not wish to see litter scattered all over Grève de Lecq beach. It is a little thing, but it is indicative of a whole direction which I think Members should reject. Now, other examples of cuts that are perhaps more important, if you like - although I hesitate to say that because Grève de Lecq is in St. Mary - we heard today from the Constable of Grouville ... well, it is half in St. Mary. All right, it is one-fifth in St. Mary [**Laughter**], but it is the more beautiful side, and the view across to the other side is also very nice. No. More seriously, we heard also from the Constable of Grouville and he quite rightly intervened about the tidal power issue, saying that his group about tidal power had written to the Solicitor General's office to ask for clarification about who owns the seabed and whether tidal power was feasible in terms of that legal issue, and he has not heard for 6 months. That is a classic case of a false economy. That is almost certainly due to the fact that he does not have time to answer that because he has got umpteen other letters to answer, and they are difficult and complicated issues too. Now we have an entire industry, potentially, of tidal power and renewable energy that is waiting for the Solicitor General to write a letter. That is the kind of cut that we can do without. It is a false economy. So, I think that is enough on that. There is one other example of a false economy which was the prison which has been referred to, but not in my view strongly enough. When the then Senator Kinnard went to the

Council of Ministers for funds again and again for the prison she was refused and the result was 2 absolutely damning reports which presumably got reported in the press - in the specialist press certainly - all over the U.K. and *Social Care* and such publications, bringing disrepute to Jersey, and not only disrepute, I think it was one suicide if not 2 in that time. Correct me if I am wrong, somebody, but there was certainly one suicide and possibly 2 in that period. I am sorry. I do not want to live in a jurisdiction or stand here as a representative of the people and say that we are happy to run a prison on that basis. So, to conclude, efficiency, of course, real productivity, of course, those are embedded in the amendment anyway; they are not contradicted by the amendment. What we are talking about here is the real value of public goods, and that is the issue. It is whether we aim to reduce costs or whether we aim to find out what people really need and try to provide it. It is about quality of life, community as I have mentioned; it is about really caring about each other, and it is about reducing inequality, which we have already agreed to. So, I urge Members to support this amendment. I think it is a very important one, and it is quite right and proper that we should spend 20 minutes each talking about it, because it is important. It is not a little back-of-the-fag-packet job, and Deputy Southern's fag packet is a jolly big one, and I commend his amendment to the House.

Connétable J.M. Refault of St. Peter:

I would like to give 30 minutes' notice under Standing Order 84 that I will call for the proposition to end the debate.

The Greffier of the States (in the chair):

Yes, thank you, Constable. It is noted.

4.9 The Connétable of St. Brelade:

I am a bit miffed that the Deputy suggests that the Council of Ministers is uncaring in their responsibility to public employees. Speaking for T.T.S., we employ some 600 staff who have, over the years, had their roles examined, scrutinised and criticised in public and are really pretty fed up with being told that they have to be more efficient. This leads me to the comment that the Deputy of St. Mary made. Efficiency is a term perhaps that needs to be defined a little bit better, and I think there are a lot of semantics creeping into this debate. I would contend while there is always room for improvement in any organisation, I have full confidence in the staff of my department and will stand here to protect my corner as far as I am able. Having said that, I am mindful that we must adapt to the changing needs of the present society and the present economic climate. I have to reconcile the public desire for good value against the needs for efficiency, if you like, and cost-cutting. I have to protect the jobs of those in my department, but we must have full flexibility and get out of this 1950s-style rigid employment structure that my good friend Deputy Southern likes to promote.

Deputy G.P. Southern:

That is putting words into my mouth. I have not promoted 1950s-style ...

The Connétable of St. Brelade:

I am not giving way. Nevertheless, savings must and can be made, but only by perhaps lateral thinking. In answer to the Deputy of St. Mary's comment regarding litter, is this the fault of the public service, or is it the fault of people who perhaps ought to take their litter home? **[Approbation]** Lateral thinking is needed, I think, to take advantage of the extensive skills and competencies which we have at our disposal. It is for myself and senior management of our respective departments to consider how this can be done, and Members can be reassured that we will be doing this. I cannot accept the straitjacket proposals the Deputy has put forward in his amendment, and I would urge Members to reject it.

4.10 Deputy M.R. Higgins:

Going through the Strategic Plan, there are a number of areas which give me concern. Just referring to one of them, it says: "Public service needs to take a lead in responding to external pressures, in particular the possibility of reduced income as a result of world-wide recession." To me that was just code for reduced services. When we look at pressures on finances, meaning that the public service must concentrate on essential services to meet the needs of the community, that is obviously code for privatise or outsource. When it says: "Public service staff costs have a significant impact on overall expenditure. Controlling these will set a benchmark for the private sector and thus have an impact on the control of inflation," it is also a code for staff cuts and for reducing staff terms and conditions. Now, I accept that staff costs in any organisation, whether it be in the public or the private sector, are among the highest items of expenditure that a company has and they are also the first to be cut when there is any downturn in the economy. As we have seen, many companies are already cutting their staff numbers because they are trying to survive. Now, I think that the vast majority of our workers in the public sector are doing a first class job, and many of them are delivering over and above what is required for very little money. They are not well paid, some of them, and they are doing a very, very good job. That does not mean to say that I do not believe that savings could not be met from the public sector. I personally believe that some very senior positions in the States could be axed. I would certainly evaluate every post over £100,000. We are paying some people between £100,000 and £240,000 for what they do, and I have got to say ...

Senator S. Syvret:

Just on a point of information, some of the people who are receiving salaries in the £100,000 plus category are not even remotely qualified for the jobs which they occupy.

Deputy M.R. Higgins:

I would echo the Senator's comment on that, because I do wonder about the value for money we are getting from these people. An example of that, again I hark back to the incinerator. We are paying people large sums of money and we are expecting to get first class advice and first class work from them. I do question whether we have had that in many cases. I also question a great deal of the money that is being spent by the Chief Minister in his department, and I certainly would axe the Communications Unit tomorrow, because it is basically being used for spin. Now, as far as the question of: "Does the public sector set a benchmark for the private sector?" I accept it may do to a certain extent. But the reverse is also true, and the private sector is cited all the time when senior appointments are being made as to the level of salary we should be paying. These people can get better money from the private sector; therefore, we have got to pay them that sum of money to come into the public sector, and that is why we end up paying some of these very, very large sums. But are we getting value for money? As I say, I have got no problem in looking to see at any level whether we are getting value for money, but I just do not think it is always the lower paid and the ordinary sort of person in the public sector. Now, I must also say when we talk about savings and efficiencies and everything else, in many cases what will happen is departments will just cut back some of the things they should have spent money on. So, in a sense, we are getting false economy, and I say that by giving examples. I have sat as a member of the Corporate Services Scrutiny Panel, reviewing the departmental bids for part of the £44 million discretionary spending package, and what we have been seeing is some of them are bringing forward proposals for things that should have been done in the past and that are now going to cause us major problems in the future. The example of that is the housing infrastructure, housing maintenance and the property portfolio. In fact, I will just give you 2 examples of things that were put forward. One is Gorey Pier, of which we had a beautiful photograph of it falling down through lack of maintenance. Another one was St. Aubin's harbour inner wall which also had a picture of the wall falling on to a boat, trying to impress upon us the importance of this spend. Now, I happen to think that the £5 million that they were asking for does need to be spent. I do not think it needs to be spent out of the stimulus package, because it would work out at something like £200,000 a job, so I did not

think it was value for money in that sense. But I do believe that the department should come back to the States and say: "Because of past savings or making so-called efficiencies, this thing has now got so pressing that we have got to do it," and as part of their argument they were saying about the cost of rebuilding this, which would be considerably higher. So, when we think of savings we have got to think about what we are really doing. Are we saving money, or are we just going to delay things and put it off?

The Connétable of St. Brelade:

On a point of correction, if the Deputy would kindly ... It was in regard to St. Aubin's Quay. The collapsible potential substance on the Quay is really due to environmental problems, not to neglect of maintenance.

Deputy M.R. Higgins:

From what I saw of some of the report - I am not sure if it is Gorey Pier or this one - there were arguments that various reports have been commissioned over the years highlighting the problems and saying that money should be spent on it, and it had been put off. So, there is that. The other thing, too, is that we have already seen in the short time that I have been in the States how money has had to be reallocated because of efficiency cuts elsewhere. The Home Affairs Department, for example, covers the prison. We have heard the prison talked about, and about under-funding there. There is also instance about Customs and Immigration. The Minister for Economic Development had to transfer some funds from his department to Home Affairs to help out Customs, because again funding had not been put in in the past, or savings had been made in the past. So, what I am trying to say to Members is that, yes, the report says we need to look at what we are doing. I have no problem with looking at and reviewing to see whether we are getting value for money everywhere. But what I do fear is that there is an undercurrent in what is written that despite what the Minister for Treasury and Resources says, it is a document for privatisation and outsourcing. Now, I would say here that there may well be a case for some things to be done by the private sector or to be outsourced. I have no problem with it in isolation. But I am against wholesale privatisation and outsourcing. I think the examples of the U.K. over the last 30 years are proof that it is no panacea for the problems we face. I think that the public are going to have to take a choice in the future, and I think the public should be the ones to decide on this, whether they are prepared to pay higher taxes to maintain some of the things that we are producing, or whether they want to pay perhaps the higher prices coming from monopoly suppliers in the private sector. We keep on saying that we have got a small Island. We are told constantly that because we have not got competition prices are high here. Well, I fear that the prices will be considerably higher if we privatise many of the things that may be put out to them. So, it is something that people are going to have to think about. I think it is also the same about public and private partnerships. Some of these work and some do not. I have got an open mind when it comes to these, but again people have questioned the value we are getting from the Aquasplash development and from Connex. I also fear, too, that if the States go about negotiations with their employees in the same way they go about handling suspensions and dustbin matters, then we are going to have strife with the public sector. So, as I say, I do not have a great deal of confidence that it will be done well. So, in conclusion, I am just going to say I oppose privatisation and outsourcing if it is being done for ideological reasons. There may be isolated examples where it will be acceptable, and when the time comes I will judge the proposals on their merit. As for the amendments, I believe I support most of them, but I may not support it all. We will see.

4.11 Deputy A.K.F. Green, M.B.E., of St. Helier:

I am absolutely amazed at some of the shroud-waving that is going on today about cuts, and frankly I am really cross about it as well. There are vulnerable people out there listening to us who think that we are planning to cut patient transport, to cut nurses, to do all sorts of things, and there is no intention in that Strategic Plan. The public have a right to expect a cost-effective service, and the

many people that I have worked with - and I think I am well placed to say this - the many hardworking civil servants and manual workers that I have worked with would expect nothing else. The problem is ... and I think I will relate it initially to the health service in the U.K. in order to protect the guilty or innocent, depending. I went through 3 reorganisations in the United Kingdom of the health service where we saw the introduction of health authorities, of districts and all sorts of other things, and spending more money does not always result in better outcome. What we saw was layer upon layer of administration. We did not see any new doctors, any new consultants, any new nurses. The patients did not receive a better service; we just spent more money doing it. They were very efficient with the paperwork. We saw standards being set in the United Kingdom, and I think we are in danger of doing the same here if we are not careful. For example, a standard that no patient should be more than 4 hours going through A. and E. (Accident and Emergency) to discharge or to getting on the ward. So, the clever administrators left them in the ambulances for 8 hours outside the A. and E. entrance. That is not efficiency. I have seen these increases in expenditure that are supposed to bring improved services and they do not. As I said, many of the hardworking people I have worked with would expect nothing else than to be effective and efficient. If you want to know the truth, we are the cause; this Assembly is the cause of much of the inefficiency in the public sector, and I speak from someone that has been there. When I first started working in health, when we employed a new member of staff you filled in one form and that did everything. They now fill in about 8 forms giving the same information but in a different order, so that you cannot possibly duplicate it. What we are doing is keeping administrators and clerks busy. **[Approbation]** Those are the areas that we need to be concentrating on. I will not be supporting the amendments. I want to see the sort of reforms that I have just described. There is nothing more frustrating. Public sector hardworking people are absolutely frustrated with the red tape, the form filling and everything else that we put in there, and it has got to stop. Now, what are we going to get from it? Well, we have got some holes in our service that we do need to provide, and I have to declare an interest. We have an appalling Children's Service and we are going to do something about it. We have an appalling service for vulnerable adults; we need to do something about it. But you do not do it by just throwing more money in and ending up with more H.R. (Human Resource) managers, more administrators, more clerks. You do it by becoming cost-effective and efficient. I will rest my case there. **[Approbation]**

4.12 Deputy T.M. Pitman of St. Helier:

I think that is what you get from modern privatisation. You get tiers and tiers of management, all doing who knows what; fewer real workers at the coalface. The Council of Ministers' opposition to this amendment really goes to the core of the problem that puts obstacles in the way of this House working together effectively, I believe. Accepting this amendment should be a no-brainer, much as I hate the term. Unfortunately it is a problem that is really difficult to circumnavigate because it is grounded fundamentally in the values which I believe the Council appear to collectively bring into the House, i.e. the politics of 'I am all right, Jack.' I hesitate when I say that because I know that certain individuals do differ. I just question whether any are strong enough to occasionally break out of the herd group-think mentality and support the amendments put forward by Deputy Southern. I describe the Council of Ministers as conservatives, at least when I am being polite. So conservatism by nature, as I always understood it, traditionally at least, was about conserving what you have. The question has to be why are they against conserving the services we have now? What is that problem? Services in many cases - and I know because I have got a lot of links with people in the caring industries - are not just creaking but falling apart. Why? Because the stress and strains caused by too few staff, as I say, at the coalface, too much work. I can name cases of people not doing their own job but a second person's, and probably a third, and in one particular case it has been off and back, off and back to work for probably 3 years. Of course, that has just gone on and on and on and nobody has done anything about it. The big problem, as I say, top-heavy management. I came from a department where there are 5 managers for 13 professionals. What a joke, and who is responsible? The mind-set politics here for the last 20 years, that is who.

Now, I thought Deputy Higgins was meant to be Machiavellian or whatever the term is, but my word, listening to Senator Ozouf, talk about seeing things that are not there and setting hares running. I think he really took the prize for that. The Council of Ministers really should wake up and smell the coffee. Their world view has come out again and again in the debate. It has been redundant since about 1983. It is going nowhere if we are talking long-term sustainability. It is finished. Wake up. As one of the other speakers said, privatising things, when it is just done because of someone's ideological base in politics, I have got a real problem with that. If it is about genuine saving and improving, well, let us talk about it. Deputy Southern is talking about improving efficiency, and that is just commonsense. Where is the scare in that? Where is the terror? That is not saying that no savings can be made, and I really hope that Deputy Southern will enlarge on that when he sums up. His words I think say it all: improving efficiency. I repeat it: where is the problem? But what I would like to hear, and this time from Senator Ozouf, is yesterday was fluffy day, where are the cuts going to fall? Over the barricades? Let us be upfront: where are the cuts going to be? Do not duck the issue any more. It is easy to attack the left. Let us have some real answers from the centre, just for once. The Senators have talked a lot about taxation and Deputy Southern's approach to taxation. He never says a great deal about his own idea of equality. He never really tells us why it is okay to tax Joe Average, yet we must never even talk about the most wealthy, the great untouchables. I will suggest that the reason he does that is because he shares the views of I think it is Leona Helmsley: "Taxes are just for little people." That is the mindset of this dominant factor in the House. I think it was Deputy Tadier who was attacked yesterday for suggesting that, talking about progressive taxation as an awful left-wing, almost devil-worshipping sort of direction to go in. It was alluded to about being a tax-and-spend society. Well ... **[Interruption to electricity supply]**

LUNCHEON ADJOURNMENT

PUBLIC BUSINESS - resumption

The Greffier of the States (in the Chair):

Very well, Deputy Trevor Pitman, you were cruelly cut off by the J.E.C. (Jersey Electric Company) before lunch. **[Laughter]**.

4.13 Deputy T.M. Pitman:

I still believe it was a scurrilous attack on the J.D.A. **[Laughter]** It was meant to frighten me and it certainly has, I am afraid. Luckily I do not think I had too much left to say. I was pointing out, I believe, before we were plunged into darkness that Deputy Tadier was criticised when he suggested we would have a tax and spend society if we pushed for these changes. Well, we have got a tax-and-spend society; it is just we are not willing to tax everyone, are we? We keep hitting Mr. and Mrs. Average and I really would like to, as I said, hear Senator Ozouf and the Council of Ministers address that one day. Maybe it will happen once while I am in the States. I think if I am here as long as Senator Le Main I do not think I will ever hear it addressed, to be honest. Let us just look at this in the wider context. Cutting costs, well, I will not name any names but we have just appointed an individual to oversee cost-cutting at a salary I would imagine is about £150,000 a year; an individual who, as I recall, oversaw spending £4.4 million on consultants, so it does not really offer great hope for the future. I think what Deputy Southern is getting at is just the real basics of a good, caring society. Public services cost because they are just that, services, and it is about time we got away from these ridiculous ideological arguments from some of the Ministers. It is about looking after people and you can make efficiencies improved without lopping off an arm and a leg, so to speak. I really just strongly suggest that Members do support this. There have been some excellent speeches today and I would close by saying it is really a shame that some people

feel they have to try and almost guillotine debates when there is something important to debate, and this is definitely one of those things. Thank you.

4.14 Deputy R.G. Le Hérissier:

In a way the collection of amendments do amount to the proverbial Curate's Egg. I have no problem with the first one, but I do think - and it has come through but, of course, it comes through depending on your political stand - we are going to have some very painful times ahead. One of the issues, for example, is - it has been said - about tax and spending, and one of the issues you often hear bandied about in Britain is that Britain wants Scandinavian social services with American tax rates. There is no doubt when you look at countries like all the Scandinavian countries, you look at France, you look at Germany, people there do pay very high taxes because part of the social contract in those societies is that they get very good social services, as those of you who have experienced the French health service will know, for example. That is the deal in those societies and I do not doubt that we are moving from a low tax society to a high tax one, if we want to keep the level of public services that we aspire to and which in a demand sense we are going to be driven towards by the incredible demands from health, for example. Residential care, new drugs, *et cetera*. I realise that the debate will be about the equality of that tax system, but there will be different kinds of inequality and although ... and I just bring this in because I forgot to jump up after Deputy Tadier gave his very eloquent restatement in what you might call the old Labour position. What I was about to say is that we are going to find different inequalities in society. There is a very big article in one of the U.K. papers today, for example, that people in defined benefit pension systems will be seen as the new financial aristocracy as opposed to those in defined contribution or non-pension systems. New inequalities are going to arise in our societies and they are going to create enormous tensions, and we are all motoring along on both sides of the political divide, oddly enough, as if this is a blip in society and that the enormous wealth we have enjoyed will simply resume. Jersey will not, I do not think, return to that. It will return to some extent perhaps, but it will not return to a society where you can just throw money at problems in a sort of a haphazard fashion and those problems would in a haphazard fashion be resolved. There will be different tensions and different inequalities, and I think Deputy Southern has to take note of the fact that the public sector will take more criticism. It will take more criticism and if you get, as you are seeing in England, masses of people in the private sector unemployed, masses of people denied proper benefits and unable to pay taxes, they are not going to pay for what they see as a gold-plated public sector. There are going to be real tensions arising and I think we have to realise that this debate in a way takes place against those themes. At some point we are going to have to face up to the consequences of becoming a high tax society and how we divvy out the tax, which I know is a highly controversial issue. There is no doubt that because historically we have just made and mended, we have found a lot of services that are under-resourced, and the Prison has been mentioned, Social Services are another one, and we are going to find more of that, where services have been under-resourced or where they are demand driven because, for example, of the ageing population. We will essentially have very little choice, unless we can come up with things like, for example, long-term residential and community care insurance to take some of the burden off the States and to come up with what appears to be an equitable financing solution. But having said all that, I tend to agree with a lot of people, having followed this whole debate for years and worked in public services when the debates were very active about how do you make cutbacks and how do you make money. I think at the end of the day a lot of the expectations aroused by the kind of Thatcher debates that have been discussed never did materialise. The need for efficiencies is still there. There are areas ... and I tend to agree partly with Deputy Green. We go on and on about management; we see management balloon, yet we cannot do anything about it. Now, there is an assumption in the States that all the problems are with the manual workers; they are cosseted by a whole range of restrictive practices and so forth, and I do not doubt for a moment that there is some of that, but you are never going to resolve that issue, if indeed you want to resolve that issue, unless you look at management structures and the kind of issues that Deputy Green and other people have

raised. So if you go in for an aggressive approach at one part of the service, which I think is unwise in any case, as opposed to softly softly, if you go in for that you have to go in for other parts of the service. Similarly, no one denies that in some Civil Service departments there are organisational fiefdoms. There are parts of the organisation that have grown, they have become highly protected and somebody really needs to go in and say: "Look, we have really got to look at this and shake it up and we have got to ask the question is this part of the organisation effective, is it doing the work it should be doing?" We have discovered ... we have done study after study, we have had consultant after consultant and we have the most recent study of the hospital management done under the aegis of the Comptroller and Auditor General. We have this terrible tendency to get these studies that say: "Well, essentially things are not too bad, they are fairly well organised", *et cetera*, and it is very, very hard to drill down into these units. It is very, very hard, but I would certainly like to see, not an attack for the sake of an attack... but I think it would be naive to believe that there are not parts of the system that, as I said, have developed their own fiefdoms, they have gone beyond being fit for purpose and they clearly need to be looked at. The other thing, we have talked a lot about privatisation. I think one of the constraints in Jersey, or should have been a constraint, is the Regulation of Undertakings and Development Law because basically if you expand the privatised sector you are presumably expanding the workforce, and it begs the question of where is that workforce coming from? What is happening to the workforce you are displacing unless you are creating new work or you are dealing with new demands through privatisation? What is happening to that? So, to summarise, I think some of Deputy Southern's amendments are based on quite frankly rather myopic and highly optimistic views about how we can maintain a steady state in public services. I think there are some big battles coming up about the nature of our taxation system and the nature of the services we want and with the problems facing finance, with the disappearance of some of the corporate taxation how we finance these services, but I think it is naive to believe, as some of his opponents have said, that an aggressive approach to cost cutting is going to come up with the kind of cuts that will really allow us to keep taxation at the present level. You have only got to ask someone like Deputy Reed who was the high priest of cost-cutting and along the road to St. Ouen and Damascus [**Laughter**] he undertook a conversion, or a conversion was undertaken, and he will tell you some of the enormous difficulties when you come face to face with these services.

The Connétable of St. Peter:

The time has lapsed and it is time for me to propose the end of the debate.

The Greffier of the States (in the Chair):

Yes, it has elapsed, Constable, and it was calculated at 22 minutes before lunch and 11 minutes since. Do you wish to propose?

The Connétable of St. Peter:

Yes. Propose Standing Order 84.

The Greffier of the States (in the Chair):

Very well. Is that proposition seconded? [**Seconded**] I would remind Members that in the interests of transparency I do have 5 Members waiting to speak so Members will take that into account when casting their vote. The appel, Constable? Very well, the vote is for or against the proposition of the Connétable of St. Peter that the debate be closed and the Greffier will open the voting.

POUR: 25		CONTRE: 18		ABSTAIN: 0
Senator T.A. Le Sueur		Senator P.F. Routier		
Senator P.F.C. Ozouf		Senator A. Breckon		
Senator J.L. Perchard		Senator S.C. Ferguson		
Senator B.I. Le Marquand		Senator A.J.D. Maclean		

Connétable of St. Ouen		Connétable of St. Lawrence		
Connétable of Trinity		Deputy R.C. Duhamel (S)		
Connétable of Grouville		Deputy R.G. Le Hérissier (S)		
Connétable of St. Brelade		Deputy J.A. Martin (H)		
Connétable of St. Martin		Deputy G.P. Southern (H)		
Connétable of St. Saviour		Deputy of St. Ouen		
Connétable of St. Peter		Deputy of Grouville		
Connétable of St. Mary		Deputy P.V.F. Le Claire (H)		
Deputy of St. Martin		Deputy M. Tadier (B)		
Deputy J.B. Fox (H)		Deputy of St. Mary		
Deputy of St. Peter		Deputy T.M. Pitman (H)		
Deputy J.A. Hilton (H)		Deputy M.R. Higgins (H)		
Deputy J.A.N. Le Fondré (L)		Deputy A.K.F. Green (H)		
Deputy of Trinity		Deputy D. De Sousa (H)		
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy J.M. Maçon (S)				

The Greffier of the States (in the Chair):

I call on Deputy Southern to reply.

4.15 Deputy G.P. Southern:

Once again I was thoroughly entertained and to a certain extent enlightened by the response of the Council of Ministers via Senator Ozouf. He accused me of not wanting to raise taxes on anybody anywhere and having no ideas as to how to pay to try and maintain public services. I will come to that in a minute. He said that a vote against Deputy Southern is not a vote for privatisation. Where that logic occurs on the page I do not know, because privatisation is clearly mentioned and I am attempting to delete it, so it is a vote for privatisation and if necessary outsourcing and not limited to merely outsourcing. So he is incorrect there. He said I had ruled out taxes, I had ruled out efficiency, I had ruled out privatisation. Well, certainly the latter I do not want to see driven by this failed free marketeer privatisation drive that belongs and should have been left in the 1980s. It is a tired and failed policy which is no more likely to produce effective results in Jersey than it has been anywhere else in the world where it has been tried. While I am here, he described his ideal which we have lived by for many years of a low tax, low spend economy. He described our low spend as a reasonable step. Now, I think the Deputy of St. Mary today and I yesterday in the main debate on population scotched that well and truly. The fact is that 26 per cent of government spend compared to an O.E.C.D. (Organisation for Economic Co-operation and Development) of 44 per cent is not a reasonable spend. It is getting away with it, and we have got away with it for years, as Deputy Le Hérissier has stated. There are a number already of under-resourced and under-financed services that we are desperately trying to keep going. The idea that we can come in with the cleaver and chop here and chop there and privatise here and outsource there and thereby solve the problem and we will be all right through the recession and out the other side is incorrect. The point is that where at a time when demand is highest and will be highest during the times of poverty and recession that is when we need most to make sure that we deliver support appropriately and efficiently where we can. That must mean supporting our public spending, our public sector services. He also used the wonderful weasel word; it is Blair's favourite and was for years. He used the term "modernisation". "We do not want to see that. I am against modernisation." I am not against modernisation, but it has got to be effective and efficient modernisation and I will just turn that

round and refer to Deputy Green's contribution where he said what he does not want to see is what has happened on the mainland, which is layer on layer of management, got nothing to do with delivering services in the hospital, caring for people but generating 8 forms instead of one, is the way he put it. I have got this to suggest to Deputy Green, that if he wants to see another layer of management put into the hospital - his beloved hospital, and I do not want to see it either - then what he should do is vote for privatisation, which is vote for the Strategic Plan, item 3 as proposed by the Council of Ministers. What he will get is an enormous directorate of privatisation with managers and senior officers in charge of this bit of privatisation, that bit of privatisation, and obviously to organise service level agreements and make sure contracts are done, blah blah blah, all taking away from the central thrust of delivering care for our people. So I urge him please to think twice and think again about his support for the unamended Council of Ministers' proposals. Also we have the usual speech from Senator Ferguson where she talks about cuts here, there and everywhere and once again called for support for her platform of cuts from the Comptroller and Auditor General, as she did in her campaign ...

Senator S.C. Ferguson:

If the Deputy would give way ...

Deputy G.P. Southern:

I am not giving way. As she did in her campaign saying: "We can cut here, cut there, cut there" and I think the figure was £35 million in total possible, and neglected, as she did in her campaign, to state that the Comptroller and Auditor General said: "These will not be easy cuts." This is an accountant's eye view I am giving you and while these are possible many of them will not be politically possible. No one is coming here, I do not think realistically, with a chance of closing down a Parish primary school. It would save money, it is a cut worth going for, but no one in their right mind from any side of the House would even dream of it because it is a political no-no, and that is what the Comptroller and Auditor General was saying. These are cuts; they are cuts in services and they are heavily political, you have to decide whether you want to go there, but it is not easy. Senator Ferguson was wrong then in the elections and she is wrong now. What we have not heard - and I believe it is completely dishonest not to refer to them - is where these cuts are going to be, where this privatisation is going to be, where this outsourcing is going to be. Not one example. I have been criticised for shroud waving and if I have I apologise, but I look around and I see cuts and the Deputy of St. Mary, as he still is, made some reference to the sum that he saw as possible and I just noted a few here that might have been possible. Here is one that comes up from time to time, a new library. He mentioned one library for 90,000 people. We have got 2 libraries for 90,000 people. Oh, I think that is ripe for cuts and where will the various representatives of St. Brelade and St. Peter and St. Ouen be then when it comes down to that is the bit that goes? Grants, always a fevered debate, very emotive. Grants for the Battle of Flowers, grants for the Air Display we have heard about. Grants for the Jersey District Nurses' Association. Grants for the Arts Centre, grants for C.A.B. (Citizens Advice Bureau). Now, if you are talking about cuts, and there is no doubt that what they mean by reform and reducing costs are cuts in services, now are they not likely to be somewhere to the top of the list? Has the list been made yet? Do we know where they are going? Has there been discussion? We do not know, but they are ones that are possibly peripheral, incidental, on the side, not core. Do we really want to be endlessly debating that for the next 3 years? I do not think so. So no answers to what will be outsourced, what will be privatised, where these changes will occur. The Constable of St. Brelade referred to the lack of cleaning at Grève de Lecq in response to the Deputy of St. Mary who obviously does not know his geography quite as well as he thought he did. I think I remember at one stage that the start date for the cleaning was 1st May, not 1st June. I think going back further we used to start beach cleaning at Easter, year in, year out, Easter through to October. When that was suggested - it used to start earlier - the Minister for Transport and Technical Services held up his fingers and rubbed them together in response. That is down to cutting costs, that is why we do not start at Easter, that is why

we do not start on 1st May, that is why we start too late for that particular set of things this time. That is the sort of economy we are talking about, that is the sort of cuts that time and time again we have accepted. It is those sort of little cuts, those so-called efficiency savings, that have been going on and on for years while I have been in this House and we are back down to if we are going to cut further it is cuts in services. Vote for it if you want, but be aware that is what you are voting for. Finally, I am told by the Minister for Treasury and Resources that I have no alternatives; I just do not know what I am talking about, really. For example, he forgets that I mentioned yesterday in an earlier debate talking about one place where we have been avoiding going for years, Social Security contributions, the most regressive of our tax gathering, financial gathering methods, which is in dire need of reorganisation, certainly needs a look at and could possibly save ... if we were to adopt different measures, a different way of doing things, might save up to £80 million overnight. It would not be overnight, but eventually, and that is the sort of thing we might be looking at. He talks about: "I do not want any tax rises anywhere." What a contradiction, what an inversion of logic because who is the person most wedded in this Chamber to sticking, hell or high water, to a 20 per cent tax rate? Why? It is not the benches next to me, because we are prepared to be flexible about it. It is the Minister for Treasury and Resources himself. He is the man who refuses absolutely to consider the possibility of raising taxes in order to pay for much needed services. That is the bugbear, that is the sacred cow in this debate; the 20 per cent rate, because he will not even consider it. He will not even consider it in any great depth when he says he wants to be able to afford a greater elderly population and to support them. Instead he relies on the so-called mass immigration argument to support the elderly but he is not prepared to consider major changes to our taxation method. As Deputy Le Hérisier has mentioned we have to sooner or later face up to this decision. It is simple. We have existed for the last 50 years or more on a model that says a low tax, low spend economy can be made to work. I think for whatever reasons, environmental, resource, financial, the world economy, we have to start facing up to the fact that that is not going to be possible and that sooner or later somewhere in here politicians have to bite the bullet and say: "I am sorry, if we want to survive at a level which we have become accustomed to then we will have to consider tax rises." Now I am prepared to consider them. The Minister for Treasury and Resources is not, hence what we are facing here, and be in no doubt about it, where we talk about reform or we talk about modernisation or we talk about privatisation we are talking about a lowering of standards and a reduction in services at the time it is most needed. Finally, I just want to remind Members of what they will be voting for if they vote for the amended proposition on item 3. It will say we wish to: "Maintain the level and delivery of public services in an efficient and effective manner." First mention of efficiency. His next 2 paragraphs remain the same ...

The Deputy of St. Mary:

On a clarification, if you will just give way for a second, could you just refer to the exact pages because I cannot find them?

Deputy G.P. Southern:

Sorry, it is page 14. The next 2 paragraphs remain the same in which it mentions efficient and effective again. The Council of Ministers' words this time, not mine, bullet point one: "We must ensure that public services are efficient [here it is again], appropriate, deliver best value and are focused on customers' needs." Any objection to that anywhere around the House please let me know in writing. It then goes on to say: "The public service needs to take the lead in responding to external pressures - in particular in responding to increased individual and community needs due to the impact of recession." Again, at a time of most need do we need to respond properly? Yes, we do. Any objections? Then the next bullet point, the third bullet point says: "The taxpayer, who pays for public services, expects his or her Government to take its proper responsibility to maintain the welfare of all residents." Again it might appear elsewhere as a statement about welfare, but does anybody object to that one? That is 3 down. Fourth bullet point: "We recognise that whilst there may be some small savings to be made from the reduction of some minor peripheral activities,

after several years of efficiency savings there is little scope for major savings in what are core, essential services.” Again I believe that to be a factual statement. Without privatisation with all its dangers, without cutting back on terms and conditions, with all the dangers there for recruitment and retention, I think that is an accurate statement. Then we are on to 6 points, all coherent I think on what we will do, we will: “Work with the public sector workforce to maximise the efficiency [fourth mention of efficiency] of all departments and, in doing so, reduce costs and encourage cross-departmental working.” The Minister’s words, no objection, still in there. Secondly: “Work with our customers to ensure that services provided meet their needs.” Again, please anywhere around the room, any objection to that statement? Then 3: “Review the terms and conditions of employment for public sector staff in consultation with representatives of public sector employees to ensure good recruitment and retention levels.” An essential step in delivering any services. Four, again, untouched by me: “Rationalise property and promote modern office working environments which will maximise productivity and minimise property requirements.” No objection, I agree wholeheartedly with the Council of Ministers. Why could they not agree to my statements as well? Five: “Give a lead by reducing energy usage, and thereby carbon consumption, in all States activities.” Hear hear hear hear. Finally: “Work together with the ‘Third Sector’ to deliver efficient and effective public services.” Again, once more delivering efficient and effective - fifth mention of “efficiency”. I am not against efficiency. This is not a tax and spend charter, this is about efficient delivery. On that efficient delivery reflected in the overall aim contained in 3: “Maintain the level of delivery for its services in an efficient and effective manner.” I do not believe there is anything in there that almost anyone in this room and certainly very many at all, if any, of the voters of the population out there could object to. They would read that list and say: “Wow, that is a good summing up of what I expect from our Government and it should be delivering.” I urge Members to vote for this amendment in its entirety because taken together it is a perfectly coherent and sensible way forward.

The Greffier of the States (in the Chair):

I was going to ask you, Deputy, how you wish the vote to be taken? You have slightly covered that in your last statement. The fourth part is accepted by the Council of Ministers and it may be worth taking that one separately, at least?

Deputy G.P. Southern:

Yes.

The Greffier of the States (in the Chair):

Could I perhaps get the Assembly to vote on 1(c), which is change the overall title, then you take 2 and 3 together which is change: “What we will do” and: “Why we must do this.”

Deputy G.P. Southern:

I think we should take them separately. They are separate statements. If we were to link together there would be statements in: “Why we must do this” and statements in: “What we will do” which might link but I think we take them separately.

The Greffier of the States (in the Chair):

Are you happy to take 1(c) then 2 then 3 then 4 in turn?

Deputy G.P. Southern:

Yes.

The Greffier of the States (in the Chair):

Very well. I will make it clear to Members what we are voting for. The appel has been called for, so we will have 4 votes on these amendments, effectively. The first vote will be on amendment

1(c), which is to change the overall title of the priority to maintain the level and delivery of public services in an efficient and effective manner. The Greffier will open the voting on that amendment.

POUR: 15		CONTRE: 29		ABSTAIN: 1
Senator S. Syvret		Senator T.A. Le Sueur		Deputy M. Tadier (B)
Senator A. Breckon		Senator P.F. Routier		
Connétable of Grouville		Senator P.F.C. Ozouf		
Connétable of St. Peter		Senator J.L. Perchard		
Connétable of St. Lawrence		Senator S.C. Ferguson		
Deputy of St. Martin		Senator A.J.D. Maclean		
Deputy R.G. Le Hérisier (S)		Senator B.I. Le Marquand		
Deputy J.A. Martin (H)		Connétable of St. Ouen		
Deputy G.P. Southern (H)		Connétable of St. Helier		
Deputy P.V.F. Le Claire (H)		Connétable of Trinity		
Deputy of St. Mary		Connétable of St. Brelade		
Deputy T.M. Pitman (H)		Connétable of St. Martin		
Deputy M.R. Higgins (H)		Connétable of St. Saviour		
Deputy D. De Sousa (H)		Connétable of St. Mary		
Deputy J.M. Maçon (S)		Deputy R.C. Duhamel (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

The Greffier of the States (in the Chair):

Very well. I will ask the Greffier to reset the voting system. The second vote, therefore, will be on amendment number 2. This is the amendments that change the: “Why we must do this” in Priority 3. The Greffier will open the voting on that amendment. If Members look at the amendment of Deputy Southern, the eleventh amendment, this is page 3, the amendment number 2, all the things that are being changed where it says: “Except that in Priority 3 on page 14 in the section entitled ‘Why we must do this’ (a) in the second bullet point, for the words ‘the possibility of reduced income’” all those subparagraphs through to the last one (e) which adds the new bullet point: “We must recognise that whilst there may be some small savings”, *et cetera*. Members are content to continue with the vote. The voting is open.

POUR: 13		CONTRE: 32		ABSTAIN: 0
Senator S. Syvret		Senator T.A. Le Sueur		
Senator A. Breckon		Senator P.F. Routier		
Connétable of St. Lawrence		Senator P.F.C. Ozouf		
Deputy of St. Martin		Senator J.L. Perchard		
Deputy R.G. Le Hérisier (S)		Senator S.C. Ferguson		
Deputy J.A. Martin (H)		Senator A.J.D. Maclean		

Deputy G.P. Southern (H)		Senator B.I. Le Marquand		
Deputy P.V.F. Le Claire (H)		Connétable of St. Ouen		
Deputy M. Tadier (B)		Connétable of St. Helier		
Deputy of St. Mary		Connétable of Trinity		
Deputy T.M. Pitman (H)		Connétable of Grouville		
Deputy M.R. Higgins (H)		Connétable of St. Brelade		
Deputy D. De Sousa (H)		Connétable of St. Martin		
		Connétable of St. Saviour		
		Connétable of St. Peter		
		Connétable of St. Mary		
		Deputy R.C. Duhamel (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		
		Deputy J.M. Maçon (S)		

The Greffier of the States (in the Chair):

Over the page these are the amendments to the section: “What we will do”, so 3 subparagraphs, delete the second bullet point, delete the fourth bullet point and amend some words in the fifth bullet point to insert the words: “in consultation with representatives of public sector employees”, *et cetera*. The vote is on this amendment 3 and the Greffier will open the voting.

POUR: 13		CONTRE: 31		ABSTAIN: 0
Senator S. Syvret		Senator T.A. Le Sueur		
Senator A. Breckon		Senator P.F. Routier		
Connétable of St. Lawrence		Senator P.F.C. Ozouf		
Deputy of St. Martin		Senator J.L. Perchard		
Deputy J.A. Martin (H)		Senator S.C. Ferguson		
Deputy G.P. Southern (H)		Senator A.J.D. Maclean		
Deputy P.V.F. Le Claire (H)		Senator B.I. Le Marquand		
Deputy M. Tadier (B)		Connétable of St. Ouen		
Deputy of St. Mary		Connétable of St. Helier		
Deputy T.M. Pitman (H)		Connétable of Trinity		
Deputy M.R. Higgins (H)		Connétable of Grouville		
Deputy D. De Sousa (H)		Connétable of St. Brelade		
Deputy J.M. Maçon (S)		Connétable of St. Martin		
		Connétable of St. Saviour		
		Connétable of St. Peter		
		Connétable of St. Mary		
		Deputy R.C. Duhamel (S)		
		Deputy R.G. Le Hérisssier (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		

	Deputy of St. Peter		
	Deputy J.A. Hilton (H)		
	Deputy J.A.N. Le Fondré (L)		
	Deputy of Trinity		
	Deputy S.S.P.A. Power (B)		
	Deputy K.C. Lewis (S)		
	Deputy of St. John		
	Deputy A.E. Jeune (B)		
	Deputy A.T. Dupré (C)		
	Deputy E.J. Noel (L)		
	Deputy A.K.F. Green (H)		

Senator S.C. Ferguson:

Would we be able to see the vote, sir?

The Greffier of the States (in the Chair):

No, I am afraid there is no provision to ask that, Senator. This will be printed out and in the Members' room shortly, if the Members wish to consult it. We come finally to amendment number 4, which I would remind Members is accepted by the Council of Ministers although clearly still open to Members to vote on. This is to change words in the key indicators to amend the words: "The cost of" for the words: "Value for money". Is there an appel on this one, Deputy, or standing vote? Yes, the appel is called for on amendment 4. The Greffier will open the voting.

POUR: 44	CONTRE: 1	ABSTAIN: 0
Senator S. Syvret	Connétable of Grouville	
Senator T.A. Le Sueur		
Senator P.F. Routier		
Senator P.F.C. Ozouf		
Senator J.L. Perchard		
Senator A. Breckon		
Senator S.C. Ferguson		
Senator A.J.D. Maclean		
Senator B.I. Le Marquand		
Connétable of St. Ouen		
Connétable of St. Helier		
Connétable of Trinity		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. Saviour		
Connétable of St. Peter		
Connétable of St. Lawrence		
Connétable of St. Mary		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy R.G. Le Hérisier (S)		
Deputy J.B. Fox (H)		
Deputy J.A. Martin (H)		
Deputy G.P. Southern (H)		
Deputy of St. Ouen		
Deputy of Grouville		
Deputy of St. Peter		
Deputy J.A. Hilton (H)		
Deputy P.V.F. Le Claire (H)		
Deputy J.A.N. Le Fondré (L)		

Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

5. States Strategic Plan 2009-2014 (P.52/2009): sixth amendment

The Greffier of the States (in the Chair):

Very well, I will call Members to order. The amendment of Deputy Southern to the title of the Priority on page 8 having been rejected, the Assembly is able to take the amendment of the Connétable of St. Helier, which is amendment 6(1)(b) which amends some words in the title of the priority. It is accepted by the Council and I will ask the Greffier to read the amendment.

The Deputy Greffier of the States:

After the words “attached as Appendix 1” insert the words: “, except that in the list of priorities on page 8 – b) in Priority 3, for the words “reduce costs” substitute the words “improve efficiency” and make consequential changes to the wording of the priorities where they appear in other parts of the plan.”

5.1 The Connétable of St. Helier:

I am grateful for the Council of Ministers for accepting the amendment which retains the word “reform” because I believe reforming public services is important, notwithstanding my belief in them as the best way to deliver services, but I did not think it was appropriate for the Council of Ministers to put financial savings in the priority itself. I thought that gave it undue prominence in a Strategic Plan and I think the alternative words are much better. I propose the amendment.

The Greffier of the States (in the Chair):

Is the amendment seconded? [**Seconded**] Does any Member wish to speak on the amendment?

5.2 Deputy M. Tadier:

I would like to seek clarification from the Council of Ministers. In accepting this amendment from “reduced costs” to “improved efficiency” obviously there is an implicit difference in those words. How would the Council of Ministers respond if, in fact, by improving efficiency it were necessary to increase costs, either temporarily or on a long-term basis in order to achieve the theoretical objective of improving efficiency?

5.3 Senator T.A. Le Sueur (The Chief Minister):

It might be a matter of timing but at a strategic level any urge to deliver the same sort of service, the same level of service in a more efficient manner which increases the costs long term strikes me as being counter-intuitive. If we are delivering the same level of service more efficiently I would assume it is likely that the costs will go down.

The Greffier of the States (in the Chair):

Does any other Member wish to speak? Do you wish to reply, Connétable?

5.4 The Connétable of St. Helier:

Yes, if I could just add to the Chief Minister's reply to Deputy Tadier and to pick up on a comment made by my esteemed colleague Deputy Martin earlier on. Deputy Martin pointed to the fact that the number of people requiring public services has increased and is likely to go on increasing and that does seem to me to make a very good case of increasing the cost over time even if, as the Chief Minister says, the services are delivered more efficiently. It may well be that the costs will rise but, as I say, that should not be a key strategic priority, it should be something which is dealt with further down the plan. I maintain the amendment

The Greffier of the States (in the Chair):

I put the amendment. Those Members in favour of adopting it kindly show? The amendment is adopted. That concludes the amendments on Priority 3.

6. States Strategic Plan 2009-2014 (P.52/2009): eleventh amendment

The Greffier of the States (in the Chair):

We come now to amendments on Priority 4. We have leapt forward to page 6 on the running order. Deputy Southern, you have a number of amendments to Priority 4. They are your amendments 5, 6 and 7, each of which have various subparagraphs. Are you happy to talk to all those together?

Deputy G.P. Southern:

I certainly am prepared to talk about them all together. I may choose to take some of the votes separately because they are separate issues.

The Greffier of the States (in the Chair):

Very well. Are Members content to take them as read to move more quickly? Therefore, I ask Deputy Southern to propose amendments 5, 6 and 7 on the eleventh amendment on page 4 and 5 of that document.

6.1 Deputy G.P. Southern:

Again this reverts back to some principles as much of what I bring to this Chamber does. I think it was again mentioned in the last debate and in the debate before that, and I refer Members back to the one little bit that I have succeeded with, which is that in the application of these priorities due attention must be paid to the creation of greater equality in our society. Members have just turned down, I believe, one way of ensuring that greater equality by effectively voting for the Council of Ministers' section 3 which I believe will end up with fewer and poorer support mechanisms for the worst off in our society. So that comes down to the basic philosophy underpinning the whole Strategic Plan which once again is this low tax, low spend economy that we have developed and which I believe is now under threat. Not only from the demographic changes because of the ageing of society, but also in the short term from the impact of recession immediately and in the longer term from potential changes to the global financial situation and the role of offshore centres. I believe that we have ploughed on for long enough saying that everything is hunky dory and that everything will be alright in the end or even on the night and that we need to take a hard, deep look at ourselves and say: "Where are we going?" One of those mechanisms is obviously taking a proper look, not the job that was done under consideration of 'Zero/Ten', which quite frankly was pre-determined to produce a certain answer and in many, many areas completely superficial and of very little use, and I refer to only one particular element of that when I talk about land value tax which, look as I may, I still have not seen that the Treasury and Resources Department understands or has analysed in any way whatsoever what that might do for raising additional revenues. Nonetheless, the time has come and obviously ensuring sustainable public finances is part of that. I

start with deleting the paragraph above and repeating the paragraph from section 3 which is still there, because it is the Council of Ministers and I want it put back in here and I want it there because we are talking about how to pay for it. So the paragraph that says: "The intention is to continue the work to create an efficient, effective and motivated public sector", that puts the customer at the heart of everything it does, maintains level of service through economic downturn: "This will be achieved through appropriate use of funding from the Stabilisation Fund." We have, we are told, something like £150 million in the Stabilisation Fund. That is one way of paying the public services and I think we ought to be using that fund appropriately to deliver that support. So that is what the first amendment, the first paragraph does. It then accepts, it goes on: "In maintaining sustainable public finances, we are aware that we have failed properly to assess all potential sources of income which will add to the overarching priority given earlier in the document. That requires us to re-examine fiscal planning measures. We shall examine the options available to reduce the need for supplementation." Second string, again long overdue, needs a proper thorough examination, needs a commitment to do it here in the plan which dictates the work for the next 3 years, in theory. A clear statement: "Furthermore we shall examine the options for the introduction of progressive taxation measures." Now, Members will not be surprised to hear me saying this. The fairest way to raise taxes is through income tax, progressive taxation I believe which is almost universally adopted except in a few countries to the east of the Balkans which have gone bankrupt as a result or are going bankrupt as a result. Progressive taxation measures are the way to do that. So 2 opening paragraphs and then a deletion: "For the Island to remain competitive with low levels of inflation, it is important to keep public sector spending under control." If only that were the case. If only that were the case. The fact is we cannot control inflation with the system we have got. We import inflation. If inflation starts to take off in the U.K. or in Europe over the next few years it will take off here as well, particularly imported from the U.K. Given that we intend not only to freeze wages for the public sector this year but to amend and reduce conditions of service, probably including pay as we have just seen in item 3 we are, the end result, 2 or 3 years down the line we are going to be stoking inflation because believe you me the representatives of workers in the Island, public sector and private sector, will not take years of pay freeze and cuts and worsening conditions for ever, and sooner or later, as history has shown throughout the world, they will start to play catch-up. The time you do not want to be stoking inflation through wage inflation is when the economy starts to take off and that is what will happen. In addition what we are doing in freezing pay for public sector presumably and elsewhere is not only stoking up that risk of inflation down the line, but probably within the time of this particular plan, we will also be going against the wish to support the economy to the maximum that we can through the use of the Stabilisation Fund. We are pumping £44 million into the economy now. There is another £100-something million in reserve to put into the economy at some stage, there are various mechanisms, and yet we are clamping down on public sector pay and conditions. That is a recipe for disaster. Then I substitute another statement, one which says: "The public continues to demand high quality services funded by low taxation. With the ever-spiralling costs of providing essential services such as health-care, this is not sustainable." What might be sustainable and what is the reality? The reality is we recognise that it will be difficult to maintain high quality services funded by low taxation. The implication there must be that we are going to have to pay for those services. The current Minister for Treasury and Resources and the Council of Ministers are wedded to no change to the rate of taxation: 20 per cent is the sacred cow. This starts to admit that that may not be able to last for ever and this time might be the time to start considering how to do that. Taxation is the honest and brave way to do it. Its opposite is I believe what is planned and it was equally relevant to the last debate as it is to this debate, probably more so to this debate which is why I have saved it until now. What we shall see are so-called service charges. We will see no increase in taxation in the headline rates, absolutely, no problem about that, but we will see charges, charges for this, that and the other. Charges for sewerage may even be in the pipeline now. Oh, pipeline, sorry about the pun. I apologise for that, it was not intentional. My speech is going down the pan. Oh, sorry. No, control yourself. Yes, we will see charges for this, that and

the other. That is the reality. That is what happens when people have these sacred universal cows that they will not budge from. We find ways of fudging our way around them. So watch out for charge after charge after charge. That is what will happen. Because quite frankly unless we see a major reduction in services from government that is inevitable. If we think we can do it any other way except by paying for it we are whistling Dixie. It is not possible. Again, we return to this question of services and I delete the fourth bullet point: "With pressures on resources we must consider what services we deliver, question whether we should continue to be provided and, if so, determine what level of provision is appropriate and sustainable." This is a mere repetition of what was in item 3 which says effectively and probably more directly than in item 3 we are going to consider our services and cut some of them. Black and white and I think that has got to go. Then we have got a statement: "We must challenge the value for money from services and consider alternatives for service delivery." Again this is more code for what was said directly in item 3, it is about privatisation, it is about outsourcing. As a replacement for not doing something we will do it shabbily and shoddily through private services, which is the evidence that we have got from elsewhere. So I want to take that out. The amendment says delete and consider alternatives for service delivery. Again we have got a restriction coming out in what we will do, no additional spend unless matched by savings or income. Pretty universal that, no extra spending anywhere for anything under any circumstances without some cuts somewhere else. Wow, what a recipe for disaster that is, and if we get the new variant of swine flu coming in from the east, what happens? Swine flu charges? You have to pay for your injections? Oh, joy. It is a recipe for disaster, so I want to take that out. Then we have got a substitute bullet point, fourth bullet point on: "What we will do." Fifth bullet point, I am told, sorry: "Introduce a range of environmental taxes to fund..." ... oh, it is not mine. Deputy Wimberley will talk about that, and I have got my final one in the fifth bullet point, you correctly say: "The public's expectations of high quality services with low taxation will be addressed through sound planning and improved communication." Improved communication? Oh yes, we have cut that service. Is that clear? Oh, yes, that's been privatised. What you do is phone this number and Joe Bloggs will come round and deliver you to the hospital. I do not know. We will be clear about it, you will know what services have been cut. Yes, absolutely. That will solve a lot, will it not? Improved communication. This will mean being realistic about what is affordable. Wow, realistic. Claim for this section of this Strategic Plan. Sorry: "We are going to be able to supply ...", oh dear, it is not realism at all. What is realistic is the statement I replace it with: "The public's expectations of high quality services [which is still there, no shirking from it] will require a hard look at progressive alternatives in taxation measures", one of which is a major restructuring of social security contributions and the supplementation burden that we have ignored for the past several years. That is the realistic approach, not improved co-ordination and sound planning. That is it really. So it is the alternative way of funding some sort of government sector at all if we are going to do it.

The Greffier of the States (in the Chair):

The Assembly has become inqurate.

Deputy G.P. Southern:

Here we go again. [Laughter] My bloke? He left my party.

Deputy M.R. Higgins:

I think it is inappropriate that some Members criticise one person for leaving when there are 24 outside the Chamber.

The Greffier of the States (in the Chair):

Deputy, we are not currently ... very well, Deputy, you may continue.

Deputy G.P. Southern:

For those who have just returned to the Chamber, and I will not mention your names, that in short is it. It is a series of amendments over how we should approach paying for public sector services which include a good look - a proper look - at progressive taxation measures, includes use of the Stabilisation Fund and also includes an examination of the old bugbear of supplementation attached to social security contributions. It faces reality fair and square because it says at this stage we have to not enact, not bring, not do but we have to consider alternative taxation methods in order to continue to fund levels of public services that we have come to expect and have a right, I believe, to expect from our government. Whether or not the previous amendments have failed or succeeded - and most of them have spectacularly failed - that principle still applies because the principle of maintaining so-called 'sustainable' funding exists. The problems will not go away, we need to address them. I believe we need to address them in the coming 3 years, during the period of this government, and not put off those hard choices until later on, until the next strategic plan appears on the horizon. That is realistic and that is the honest view that we should be taking. I urge Members to support the amendments as expressed.

The Greffier of the States (in the Chair):

Amendments 5, 6 and 7 of the eleventh amendments are proposed, and seconded? **[Seconded]**
Senator Ozouf.

6.2 Senator P.F.C. Ozouf:

These amendments, of course, are in similar vein to those - which I am certainly grateful that the Assembly rejected - of Deputy Southern's previously. Deputy Southern wishes to once again attempt to persuade the Assembly to maintain all levels of public services, but moreover quite extraordinarily he wants to achieve this despite the debate that we had in this Assembly just a couple of weeks ago. He wants to achieve this by raiding the Stabilisation Fund. I have to say this to him, the money that he so vehemently fought against collecting he now wants to spend on his agenda of spending. He wants to delete the requirement to keep public sector under control. I have to say to him, is he really serious? Quite importantly, he wants to remove - and I think this goes really to the heart of why I have to say that I am frankly exasperated with what he is saying - the bullet which requires the Council of Ministers to match spending by either savings or income. Now, where does he think the money is going to come from, I ask him again?

Deputy M.R. Higgins:

If I can interrupt as a point of order, they have already accepted my proposal for borrowing as a possible alternative.

The Greffier of the States (in the Chair):

We have not got there yet, Deputy.

Deputy P.F.C. Ozouf:

Certainly we have not got there yet and that is something that I will be accepting when I speak but there is going to be significant caveats about that. I am afraid to say that it must be said that where is the money going to come from? If Deputy Higgins is going to say, in justifying his support of Deputy Southern's amendment, that either we spend money from the Stabilisation Fund or we borrow - his intervention indicates that he thinks we should borrow for consumption - I will be grateful to hear him when he speaks. Where is the money going to come from? I have been criticised by Deputy Southern for ruling out a change to our 20 per cent tax rate. I have to say that I stand by that. I think it must be right that people who do have income at a certain level must pay 20 per cent. It is therefore quite extraordinary that he admonishes me for ruling out a change in the 20 per cent but he does not even want to put in place a policy that means people pay 20 per cent. I ask him to look back at the proposals and to remind himself what '20 means 20' means. It is a form of progressive taxation. He is the one that has ruled out '20 means 20.' He is the one that has ruled out G.S.T. He is the one that wants to extend tax allowances for the lower paid. I ask him

where is the money going to come from? I am afraid it is not possible to simply tax the rich until the pips squeak. There will not be any wealth creators in Jersey if he has his way. We have had a debate on the fiscal strategy. As all Ministers for Treasury and Resources hold their budget statements to budget time I am not just about to release to the Assembly all of the thoughts that are in our minds in relation to this year's budget, but what I will say is that we are looking at the Blampied proposals, at least the parts of the Blampied proposals that are workable and unavoidable. We are looking at the previous 1(1)(k) arrangements. While I certainly do not want to trespass on Social Security's territory, we are of course looking in the longer term, as is clear from the Strategic Plan, of needing to make changes to our social security contributions to put in place further long-term arrangements to ensure that pensions can be paid for. For the record, we also are looking at the issue of commercial rates, something I have said in the past I think needs to be looked at, something which will be resisted if it ever came forward to the Assembly but, nevertheless, it is something that we must look at. We are looking at the issue of development profits and how to capture some of the uplift of a beneficial planning consent. The Deputy of Grouville, I think, was the one that asked about Section 106 arrangements. They are, as I am sure she would agree, an alternative form of development tax. She is quite right. Other Members of the Assembly that want to see the Minister for Planning and Environment put in place Section 106 arrangements to capture some of the uplift in development tax are absolutely right and we will be working with the Planning Minister to achieve that. I am not going to be suggesting a radical change in our taxation policy. I believe that we have settled the long-term direction of our taxation policy. We may well have to be looking in a number of years' time at tax and charges increases. I am astonished to hear Deputy Southern rule out ... I think he has now extinguished virtually all options for raising any more money because he rules out charges, he rules out doing away with the unfairness of the sewage arrangements, that people with tight tanks pay perhaps £100 a week to have their tanks emptied and people on the public sewer pay nothing. He rules out any charges. I do not rule out ending unfairness. I do not think I need to say much more. This debate is clearly a fundamental philosophical one that I am sure we have discussed on the previous arrangements. All I would say in conclusion, I would submit to the Assembly that we have one of the most successful economic models of any small state in the world. We have relatively low tax and we have a relatively low percentage of spend of government consumption. What that does not mean is a low actual cash spend in terms of our services. Our economic model means that we can put more money in areas such as education, in health, because of our economic prosperity, our economic prosperity based upon our fiscal strategy. Let us not tear up the rule book that got us where we are today.

The Deputy of St. Mary:

On a point of clarification, could I just ask for a point that would help the Assembly possibly? The Minister just said that Deputy Southern wants to delete the requirement to keep government spending under control. I see no such requirement and I just wonder what the Minister is referring to, whether he could clarify that point.

Deputy P.F.C. Ozouf:

It is very clear, if the Deputy will turn to page 15 of the report, and if I am misdirected in dealing with ... I believe that he wants to delete the Council of Ministers' bullet: "For the Island to remain competitive with low levels of inflation, it is important to keep the public sector spending under control." I think that is removing a requirement to keep public spending under control.

6.3 Deputy M. Tadier:

Following on from the flowery speech that Senator Ozouf has just given I want to come back to a point which I think Deputy Southern raised and apologise for repeating it but I believe it is something worth drawing out. We are told on the one hand that it is great to have lots of flexibility and to look at ways to reform, or to improve or to make more efficient, however you want to term it, in the public sector and the services that we deliver. So we need to be flexible and presumably

the immediate pressure is coming from the recession. Now, that is fine to be flexible on the one hand but on the other hand we are told that we cannot be flexible at all when it comes to taxation. This seems like a contradiction, so why is it that we have to be flexible with the services we provide, which presumably when we look at core services are the opposite. The things that are essential in life like hospitals, like schools, like transport and other leisure facilities are inflexible and, therefore, the funding must always be maintained for those. So surely we should be tailoring our spending to the services and not the other way around. We do not say: "We have got less money this year so I am afraid you cannot go to the doctor, I am afraid that your husband is just going to have to suffer with his illness or your children cannot go school." Of course not, that is completely ridiculous, so we decide what it is we need in the first place, X, Y, Z, how much is it going to cost and we raise the money accordingly, not the other way around. So if anything it seems that we should be promoting flexibility in our tax system and it seems incredible at the moment during economic uncertainty when there is a ... I was going to say climate of fear there but a climate of uncertainty, to be ruling out any tax changes. We have heard from Senator Ozouf, who is the Minister for Treasury and Resources, that the 20 per cent tax rate is sacrosanct. That is very strange that anything should be sacrosanct. We should always be flexible. I think that is what we are here for as politicians. Strangely, as we already know, the Chief Minister does not believe that the 20 per cent tax rate is sacrosanct so, again, there is a divide there within the Council of Ministers right at the very top. Nonetheless, I am sure that the Chief Minister thinks that the 20 per cent tax model has done Jersey very well and there is no need to change it but he just chooses to use slightly different words, which is fair enough. But I would suggest ... and the reason I abstained from the last vote to maintain public services at their current levels is quite simply because I believe that we do not need to maintain them, we need to increase our levels of public service. I am sure that if you accosted the Minister for Transport and Technical Services or the Minister for Health and Social Services and the Minister for Education, Sport and Culture and said: "Are you happy with the services that are being dealt with? Could you do with a bit more money? Are there things that you need to improve in Education? Could you do with a better bus service, Mr. Minister for Transport and Technical Services? Could you do with a double-decker bus on the airport route, for example, so that you can fit both luggage and tourists and locals who want to travel into town and to their hotels if they are tourists?" I would suggest that the Minister for Transport and Technical Services would say: "Yes, we need more money so we can have an improved service" even though he has voted against what I believe is an improved service. So this is a contradiction. I suggest to the Minister for Health and Social Services, the Minister for T.T.S., the Minister for Education, Sport and Culture - I am just singling these out for examples because these are usually the areas which need more money all the time - that you are tying your hands by voting for these efficiencies which will surely end up in cuts. I suspect it will be death by a thousand cuts. So I would suggest that in fact we do not put the cart before the horse as we are doing at the moment, we find out exactly what we need and then we decide how we are going to fund it as a consequence. I wanted to take some of the points individually and I hope that Deputy Southern will be bringing these points for an individual vote because I suspect that there are some that one might want to accept and others that one might want to reject, but obviously that is his prerogative to either do that or not do that. The one that I particularly agree with is the bullet point which is second under the heading, "Why we must do this" on page 15 of the amendment plan. To substitute the words: "The public continues to demand high quality services funded by low taxation. With the ever-spiralling costs of providing essential services such as healthcare, this is not sustainable." That is fine, that is purely a truism, but I believe that Deputy Southern's amendment ... to substitute it with the following text: "We recognise that it will be difficult to maintain high quality services funded by low taxation." It is shorter, it is more succinct and it says exactly the same things and that is exactly ... it does not provide a solution, nor does the original, so I suggest that we all adopt that one. I find it very strange why that very innocuous amendment has not been adopted. It is a truism and there is absolutely no reason for the Council of Ministers to have opposed that. I presume it is still opposed. Moving further down, if we look at the part where it says: "Delete bullet - With pressures

on resources we must consider what services we deliver, question whether they should continue to be provided and, if so, determine what level of provision is appropriate and sustainable.” Now, I do not have a problem with that part *per se*, I think it is always good for us to consider and question what the role of government is in providing services. So I am not necessarily minded to delete that section. The only point I would say is that the first part “with pressures on resources”, again we are putting the cart before the horse here: we either need certain services and government needs to deliver certain services or it does not and it should not be a question of simply the fact that there are pressures on resources or that we are entering an economically gloomy time that dictates whether we choose to deliver these services or not. Are we going to say because there are pressures on resources we are going to have to close a school again: “Your child cannot go to school” or: “Mrs. X, you cannot go into hospital to have this hip replacement because you are a bit too old.” It is the thin end of the wedge so I would suggest we think very carefully about whether or not we agree with this particular bullet point. I think I will leave it at that. There is absolutely no reason we should not be flexible in our tax. The question is always being asked about what is the alternative, where does the money have to come from? This was something that came up again and again in the G.S.T. debate. We were told that there is no alternative to G.S.T. when, in fact, there were a whole host of alternatives; it was simply that the Council of Ministers in their wisdom were just deaf to these alternatives because it did not fit in with their particular political ideologies. So we had the idea of a capital gains tax whereby I gave the example yesterday, a field worth £30,000 - again these are just rough figures - gets rezoned, overnight becomes worth £30 million ... okay, let us be more realistic, let us say it is worth £3 million, okay, so it takes ... on all that profit not one penny of tax will be paid in Jersey on that wealth. So why do we not consider extra taxes but taxes which tax the right people, tax the people who can afford it and let us invest those taxes ...

Deputy P.F.C. Ozouf:

I just wanted to point out, if the Deputy would give way, I do not know what he was doing when I was speaking but Section 108(6) arrangements do exactly that. They attempt to capture some of the uplift and that is why, if he wants to be taken through housing policies and planning policies, that is exactly what we are doing. So I think we are in agreement.

Deputy C.F. Labey of Grouville:

But it has taken more than 14 months to bring something to this Assembly and we still have not got it.

Deputy M. Tadier:

I am glad to see there is at least some convergence and some, albeit very belated, reforms coming intact, but I think the underlying issue is that this whole 20 per cent tax regime, we know that many very successful countries, for whatever reason, they do have progressive rates and so people who earn more will pay higher taxes on the basis that they have more disposable income and, therefore, they are taxed on it. It is quite simple. So somebody who earns £100,000 a year can afford to pay a higher rate of tax on part of their income than somebody who earns £40,000 of tax and who may also be putting 2 or 3 children through university education, which they are not getting any help with at all. Not because they are particularly well off but just because arbitrarily they happen to fall the wrong side of a threshold. So I would think very carefully about the messages we are sending out here. We do need to be flexible, not so much with the services we provide, we need to be flexible with the actual ways in which we find the money and also we need to provide value for money because, as I said yesterday, the public are not stupid and we must not treat them as if they are stupid all the time. They do not expect low taxation and good public services, they expect value for money, they expect the money that they pay in taxes to be used well and they also expect people who can afford to pay tax but who are currently not affording to pay tax ... let us not beat around the bush, let us look at the 1(1)(k)s again. We already allow them the benefit of coming to our Island, jumping in front of the queue to be able to buy a house by 11 years when some poor

Portuguese, Polish, English immigrant labourer who comes to the Island has to wait for 11 years, pay their deposit which they could be saving on a house to a landlord for 11 years, and by the end of the 11 years they probably have not even got a deposit saved up anyway because they have been giving that to a landlord who may or may not be greedy. So the 1(1)(k)s do not have to go through that whole rigmarole and, to top it off, we give them the tax break. So, in fact, you may have millions and millions of pounds but you are only paying on average 6 per cent, some of them no doubt even less. This cannot be fair and these are the real issues that we need to address if we are to have a more equal society. Oh, of course, we do not want a more equal society because we voted against that yesterday.

Deputy G.P. Southern:

A point of clarification. We voted against it as an overarching ...

The Deputy of St. Mary:

I believe the good Deputy was being ironic.

6.4 Senator S.C. Ferguson:

The Deputy has mentioned the struggling immigrants. I think the thing he has missed is where the 1(1)(k)s have made their money in other countries, they went through that particular struggling stage when they were living, for instance, in the U.K. We have a number of 1(1)(k)s who are self-made men. This means that they started a business. This probably means they started a business with minimal savings and probably what they borrowed from their family. So they have been through that struggling stage and they have worked hard, very hard. I think you have got to look a bit beyond just the 'they must have arrived with that money and it dropped like manna from heaven.' It did not. It is the product of very hard work. Now, I think the other thing that he has missed is that tax rates throughout the world are, in fact, coming down. We start a tax increase policy then that will count very hard against our competitiveness. As a matter of interest, when - dare I say it - Mrs. Thatcher brought the U.K. surtax down from 50 per cent to 40 per cent, the tax take increased disproportionately, which I think Deputy Grime used say that was the "Lauffer effect". Deputy Tadier wants to increase taxes, even in a recession. I am sorry, even the F.P.P. (Fiscal Policy Panel) said do not touch it. Another point, for the information of the House, in the tourism industry - particularly for hotels - the period between Easter and Whit has always been a difficult one to fill beds. For the agnostics Whit is the late spring bank holiday. So the practice of not implementing the summer service until June, by T.T.S., is sound commercial sense. Otherwise my previous comments are equally applicable to these amendments. I would, however, suggest that new Members read the Comptroller and Auditor General's reports on spending, the *Emerging Issues* report, plus his reports on pensions. I do not mind quotes but do let us be in context. I am sorry I cannot agree with these amendments.

6.5 The Deputy of St. Mary:

I have some important points to make but I will first of all pick up on what Senator Ferguson just said then because it is relevant to the theme we are talking about. She said it does not make sound commercial sense to clean a beach in May. Now, if we have tourists in May ... and we do have quite a lot of tourists in May because I used to work in the industry and I know we have a lot of tourists in May, particularly day trippers. They see a beach that is covered in grot ... one of the major selling points of the Island has been what a wonderfully clean Island. That is what people go home and say: "Crikey, it is not like Liverpool or Bedford or London, it is wonderfully clean." That whole image has gone in a flash when they go to a beach and it is covered in rubbish helpfully dumped there by gulls and helped by T.T.S. who have not emptied the bins. So I am not sure that is sound commercial sense, because the cheapest visitor is the one who is repeat, or the one who comes because someone told them what a good time they had. They do not need to be marketed to; they came because somebody said what a lovely Island it was. That is the visitor you have just lost

by failing to do the basics. That is just a little aside. Another aside is the reason I asked the Minister for Treasury and Resources about this question of the requirement to keep government spending under control and he said it was bullet one under “Why we must do this”. I will come back to that bullet and the real problems I have with it, and that is why I asked him, and it is absolutely right to ... I believe the good Deputy wants to take it out, is that right, Deputy, in your amendments? Do you want to take the first bullet out of, “Why we must do this”? Delete the first bullet point, that is right. Yes, I did think you wanted to delete it and I will touch on that in my major remarks because it is absolutely right to delete it. I would ask the Minister to just look down, and all Members, at the, “What we will do” where the point about spending under control ... you see, he accused the Deputy bringing the amendment, Deputy Southern, of deleting the idea of controlling public expenditure. But if you look at, “What we will do”, the first 2 bullets, the first bullet is: “Keep finances on a sound footing in the medium term and within the resources available.” Deputy Southern is not suggesting we take that out, it will stay in. The second bullet, which also is going to stay in under this amendment introduced resource principles to cover the lifetime of this plan and the first one is: “Be prudent, taking account of the uncertain economic and financial outlook.” The second one is: “Identify and implement all possible savings and efficiencies.” So there they are, they are under, “What we will do”, that to me sounds like controlling public spending and Deputy Southern is not trying to take those out. So he is quite happy to keep spending under control. Now, the 3 lots of nonsense that are in the resistance to this amendment, there is 3 lots of nonsense. The first one - and was mentioned by Senator Ferguson indirectly - is this question of competitiveness and its relation to low public spending. We have it twice on page 15 as given to us by the Council of Ministers. We have it in the first sentence: “It is crucial that the Strategic Plan is affordable, that Jersey remains competitive whilst living within our means, and that we do not add to inflationary pressures in the Island.” In the first bullet of, “Why we must do this”: “For the Island to remain competitive with low levels of inflation, it is important to keep public sector spending under control.” The implication of that is that somehow public sector spending is more inflationary than private sector spending, otherwise that sentence is meaningless; it does not make any sense. Why would you specifically need to keep public sector spending under control to control inflation which makes our competitive position worse? The economic theory behind that is that somehow public sector spending is more inflationary. Well, of course, that is simply not true and I made a point of asking the Fiscal Policy Panel, after their presentation to States Members, I said: “There is this thing going around in Jersey [which I thought had banished but we have just heard it again so it has not banished] that public sector spending is inflationary. Now all you have done is taken money from somebody’s private pocket, put it in the public pocket and spent it so it would have been spent anyway so how can it be inflationary?” So I simply put the question to the F.P.P. and asked them: “Is public sector spending more inflationary than private sector spending?” They said: “No.” It is very simple really because there can be no reason for supposing that it is, providing that you do not overspend in one sector, of course, beyond the capacity of that sector, which I also added in as a rider. So this idea that keeping public sector spending under control is linked to controlling inflation is not so. It is not true. If we look at the real reasons for inflation, Deputy Southern only mentioned one of them. He said we import inflation from the U.K. We import inflation from other countries. That is not the only cause of inflation. We have touched on it in the population debate that one of the main causes of inflation is that we are bringing more people here all the time which pushes up the demand specifically for housing and then, of course, that inflation feeds through the entire economy and we have just voted for that. So let us not kid ourselves that this has anything to do with inflation. The second reason for inflation is demand caused by the finance industry where the salaries are very high and also by 1(1)(k)s. We encourage both those things but we do not look at the effect of that demand, that additional demand on inflation. So those are 2 other reasons, in addition to Deputy Southern’s. It is not public sector spending that has an impact in itself on inflation and the Deputy’s amendment is perfectly correct in taking out this first bullet because it does not make sense. One additional point on this, if low public spending did affect competitiveness then all the countries above us on this list

that spend more on their public expenditure would be basket cases. What about Luxembourg who spent twice as much as us, they would be down the pan, to use the phrase again. Or Denmark, 53 per cent, more than double our percentage of G.D.P. on public expenditure. Is their economy on the rocks? Are they not competitive? So it goes on, you can go anywhere down this list, Luxembourg, Norway, Portugal, Sweden, they all spend more than we do on public services, public expenditure as a percentage of G.D.P., none of them is uncompetitive. So can we scotch that myth once and for all, it is nonsense. The second nonsense we get fed is this business of taxation. No tax increases, there will not be any tax increases. This is pure spin. There will not be anything called a tax increase but there will be increases in charges, as others have mentioned, and there will be increases in funds into which people will contribute to pay for residential care and health. I believe both those things are on the way. This funding will end up as government expenditure and will appear in these figures. So the percentage will probably rise but it will not be due to increases in taxation, but people will pay more. I think the idea that the Minister for Treasury and Resources suggested that Deputy Southern was against charges and against these funds I hope he will deal with in his summing up because that is an important point. If Deputy Southern is really against the residential care fund and really against the Health Insurance Fund and really against charges for sewage, then we will really have problems with funding what we need to fund in terms of public expenditure. So the Deputy clarifies that point. But I did want to point out that this business of saying that there will not be any tax increases, implying the public will not have to spend any more, is nonsense. The third nonsense is in the key indicators we have, government expenditure as a percentage of G.N.I. (gross national income) and per capita. Key indicator. Well, which way? Is it indicated by having more of it or by having less of it? Presumably it means increasing it because we voted about ... we said we wanted to reduce inequality and the best way to do that is to supply better and more public goods. So presumably that indicator should rise, but I do not know. Maybe the Council of Ministers means that it should be kept the same and that is what they mean by sustainable. But, of course, that is another nonsense because all these percentages in the list given in response to my written question are all sustainable, none of these countries that I know of has gone bust. Germany, Japan, Luxembourg, Mexico, the Netherlands, Portugal, Sweden, I do not hear of them in the papers as kind of deserts or something has collapsed, and they all have a different public expenditure percentage than we do. So 3 lots of nonsense and I do hope that Members vote for an amendment that makes sense.

6.6 Deputy M.R. Higgins:

It is a quick answer to my question to you. I would just like to say that, first of all, I have some difficulty both with the priority of the Council of Ministers and also with Deputy Southern's amendment. I agree with them both in places and disagree with them both in other places. As with many things they are not black and white issues and, therefore, I am going to abstain on 2 of the amendments. One of the problems I have with the Council of Ministers' position with this priority overall is the lack of flexibility. They are essentially arguing for a balanced budget approach to public finances with no leeway, no extra spending without a reduction in spending elsewhere. Now, all I can say to this is it is just as well that the previous States Assembly followed the previous Corporate Services Scrutiny Panel's recommendation to set up the Stabilisation Fund and Strategic Reserve because otherwise the current Council of Ministers would not be trying to protect jobs and businesses by injecting £44 million into the economy over the next 2 years or putting the £112 million into the Consolidated Fund to try to continue providing the existing level of public services, because if they followed a balanced budget approach it would not happen, by using money that had been saved previously. Instead we would have mass unemployment and mass reductions in public services, an approach that was adopted by President Herbert Hoover in the United States in the 1930s and led to the prolongation of the Great Depression. I for one do not like political or economic dogma from any quarter. Life is not black and white. I believe we must remain flexible and pragmatic and I believe that we should not rule out service cuts or tax rises, whether it be income tax or capital gains tax or other taxes or, for that matter, borrow if they are the most

appropriate way to deal with the problems we face. So, again, my biggest criticism is we are heading, I think, for a very inflexible and, I would imagine, intolerant sort of government if we try to stick to this line. Nothing is black and white.

6.7 Senator B.E. Shenton:

Can I just say that this amendment highlights how ludicrous this whole strategy plan process is? The amendment by Deputy Southern ... and I must admit I immensely dislike the whole Miss World, chocolate box-style of the Strategic Plan. The amendment says we recognise that it will be difficult to maintain high quality services funded by low taxation. Now, if that is adopted it will stick in the plan and it will be open to interpretation. My interpretation may well be that it is difficult to maintain services while over 40 per cent of the population do not pay any tax at all. The interpretation may well be put on it that it will be difficult to maintain services while we have a high number of people taking but not contributing to the taxation net. That is how the amendment reads. Does Deputy Southern really want to lower the tax allowances and bring more people into the tax net? No, he does not. There is no doubt that you can interpret the amendment in that way. So it is with most of the Strategic Plan, that most of it can be interpreted how you would like it to be interpreted. It is a wish list where you can put a slant on it, a slant whichever way you want to go. I fought to introduce into the Strategic Plan 3 years ago a more specific request, introduced in 2007, a winter fuel payment based on the U.K. system for all pensioners resident in Jersey. The Council of Ministers did not want to bring it in so they did not. They brought in a means-tested... not for all residents, not based on the U.K. system. We are going to spend days here discussing something that achieves very little. It is not the way to do business. A strategic plan of a company would not take this format. It is a complete and utter waste of time of this Assembly. I will be voting against the amendment because I think it can be used against what Deputy Southern wishes to achieve and I would ask Privileges and Procedures to look at the whole concept of the Strategic Plan because it is utterly ridiculous the way we are conducting ourselves today.

6.8 Senator T.A. Le Sueur:

Without wanting to prolong this too long I think I would like to correct a couple of suggestions; one from Deputy Tadier, who might have implied that there is some sort of gap between the Minister for Treasury and Resources and myself. I can assure him that gap is no thicker than that cigarette paper in that we both have absolutely similar views. The 20 per cent tax rate in my view is sacrosanct for many years to come but it depends how many years you are talking about. Ultimately you may want to bring it down and you could bring it down with reducing personal tax allowances and having a flat rate system. But we are not reviewing the fiscal strategy; we only just recently did that. I think Deputy Higgins also suggested that maybe it was the Corporate Services Scrutiny Panel proposing the setting up of the Fiscal Policy Panel. I seem to think that the Minister for Treasury and Resources at the time had something to do with that as well but I will pass that one by. I think the whole emphasis of this is just more of the same, and I do think when Deputy Tadier starts talking about tailoring taxation to spending, rather than the other way around, that is what we do. We set the business plan in September which sets out expenditure and then in December we set the budget which sets out income. So there is nothing inconsistent with that. What the Strategic Plan is trying to do is to set a longer term approach, not just from one year to the next. The longer term approach is to have public finances which are sustainable in the longer term. I think it is that point which maybe we are missing. It is not a simple black and white argument. There are messages which could be open to misinterpretation. The message from the Council of Ministers is very simple: we have to live within our means, we have to be realistic and we have to accept the fact that the public do not want us to spend more money. On that basis, and for all the other reasons, clearly I will not be supporting these amendments.

6.9 Deputy G.P. Southern:

Hooray, thank you. May I start by sympathising with Senator Shenton when he describes the whole process that we are going through as somewhat of a farce and a waste of time. To a certain extent I agree with him. I have done my best with the format that we have and I have produced my amendments which I think go to the heart of an alternative which is viable. But this would not be happening if we had a party system because we would not have to come to the Chamber with a whole manifesto to be accepted by everybody in the room one way or another, amended or otherwise. If we had a party system what the manifesto was would have been sorted out at and by an election and the people would have voted for what they want, therefore no need to check out with everybody in the room - all and sundry - what it meant. The sooner we get to the position where those who disagree with the centre left policies of the J.D.A. get together and form their party, the sooner that happens, the better.

The Greffier of the States (in the Chair):

Let us get back to the amendments, Deputy, rather than party politics.

Deputy G.P. Southern:

Certainly. I thank everyone who has participated in the debate, particularly, once again, the Deputy of St. Mary, and I hope I do not curse him with my praise when he gets back to St. Mary, but he is the most articulate and clear, sound logician I believe I have heard in many a year. He is to be congratulated for his sound analysis of what is going on. Okay, so I come back to repeat that what we have here is an alternative which admits the reality of where we are. For a whole series of reasons - recession, global finance, *et cetera* - we are in a position where we have to honestly search ourselves and say: "Can we continue with the model of low tax, low spend that we have had in the last 50 years or should we be preparing the way to move over to a different model?" This is made particularly critical by the recession which we know is impacting on our society today and makes those decisions relatively urgent. Now, the Minister for Treasury and Resources again launched into his usual diatribe to say I am against everything. Not at all. Not at all. What I am looking at here is appropriate use of the Stabilisation Fund mark one, and that occurs in 2 areas - at the very beginning and the very end - of item 4, not amended. It looks at the need to reduce the need for supplementation. Again, we are told: "Well, we are going to do that anyway." Total agreement, do we need to address it? I think it will be a partial addressing of it because I do not think the Council of Ministers, certainly on past track record, is prepared for a wholesale root and branch review of supplementation and contributions but it is in there as a way forward. It also ... and I will insist that the Minister is wrong when he says I am against tax rises, taxing anybody. We need to examine the options for progressive taxation measures if we are, at this crunch time, to support much needed public services. Deputy Wimberley correctly pointed out that the source of inflation on the Island, the main driver, is not public sector spending. So that is the reason why I wish that to be out of there. However, public sector spending is addressed in other bullet points. As he correctly says, it is still in there. Senator Shenton says that the substitute in 11(6)(b) that I have produced: "We recognise that it will be difficult to maintain high quality services funded by low taxation", he says that is open to interpretation but then he says most of the Strategic Plan anyway is open to interpretation and he does not want to vote for my amendment because of that. Presumably he will be voting against the entire Strategic Plan which is open to interpretation anyway. So while I might try my best to convince him otherwise I doubt that I will succeed. If he says it is confusing and open to interpretation then so be it, it is pretty clear to me. I think I know what I meant to say and it means that it will be difficult to continue to fund high quality services with low taxation. It is this commitment to low taxation that is the bugbear, not the quality of services. Again, I return to examine briefly 11(7)(a), no additional spend unless matched by savings or income. I wish to take out ... because it says: "There will be cuts." Then finally, again, a fresh hard look at progressive alternatives to taxation measures. Members will either reject or approve of these propositions. I urge them to approve of them and I wish to take the vote in the following order: 11(5) together, the first 2 paragraphs; 11(6)(a), which talks about the inflation, I

want separately from 11(6)(b), the confusing statement or the statement about high quality services and low taxation; I believe 11(6)(c) and (d) are basically about other words for privatisation, which I have already opposed so can be taken together; and then 11(7)(a) separate from 11(7)(b).

The Bailiff:

Very well, do you wish for the appel on all of those, Deputy?

Deputy G.P. Southern:

Yes, please.

The Greffier of the States (in the Chair):

Very well, so I will guide the Assembly through the votes. The first vote looking at the eleventh amendment brought by Deputy Southern, amendment 5 which deletes the second introductory paragraph in Priority 4 and inserts 2 new paragraphs, one beginning: “The intention is to continue the work ...” and the second: “To maintaining sustainable public finances.” So that is the vote to be taken on that amendment in isolation. Amendment 5, and the Greffier will open the voting.

POUR: 11	CONTRE: 35	ABSTAIN: 0
Senator S. Syvret	Senator T.A. Le Sueur	
Senator A. Breckon	Senator P.F. Routier	
Deputy of St. Martin	Senator P.F.C. Ozouf	
Deputy J.A. Martin (H)	Senator B.E. Shenton	
Deputy G.P. Southern (H)	Senator J.L. Perchard	
Deputy of Grouville	Senator S.C. Ferguson	
Deputy M. Tadier (B)	Senator A.J.D. Maclean	
Deputy of St. Mary	Senator B.I. Le Marquand	
Deputy T.M. Pitman (H)	Connétable of St. Ouen	
Deputy M.R. Higgins (H)	Connétable of Trinity	
Deputy D. De Sousa (H)	Connétable of Grouville	
	Connétable of St. Brelade	
	Connétable of St. Martin	
	Connétable of St. Saviour	
	Connétable of St. Peter	
	Connétable of St. Lawrence	
	Connétable of St. Mary	
	Deputy R.C. Duhamel (S)	
	Deputy R.G. Le Hérissier (S)	
	Deputy J.B. Fox (H)	
	Deputy of St. Ouen	
	Deputy of St. Peter	
	Deputy J.A. Hilton (H)	
	Deputy P.V.F. Le Claire (H)	
	Deputy J.A.N. Le Fondré (L)	
	Deputy of Trinity	
	Deputy S.S.P.A. Power (B)	
	Deputy K.C. Lewis (S)	
	Deputy of St. John	
	Deputy A.E. Jeune (B)	
	Deputy A.T. Dupré (C)	
	Deputy E.J. Noel (L)	
	Deputy T.A. Vallois (S)	
	Deputy A.K.F. Green (H)	
	Deputy J.M. Maçon (S)	

The Greffier of the States (in the Chair):

Very well, the next vote then is moving to amendment 6 but subparagraph (a) only, which is to delete the first bullet point under the section, “Why we must do this” in Priority 4. I remind Members that bullet point currently reads: “For the Island to remain competitive with low levels of inflation, it is important to keep public sector spending under control.” This amendment would delete that bullet point. The Greffier will open the voting on 6(a).

POUR: 6	CONTRE: 40	ABSTAIN: 0
Senator S. Syvret	Senator T.A. Le Sueur	
Deputy G.P. Southern (H)	Senator P.F. Routier	
Deputy of St. Mary	Senator P.F.C. Ozouf	
Deputy T.M. Pitman (H)	Senator B.E. Shenton	
Deputy M.R. Higgins (H)	Senator J.L. Perchard	
Deputy D. De Sousa (H)	Senator A. Breckon	
	Senator S.C. Ferguson	
	Senator A.J.D. Maclean	
	Senator B.I. Le Marquand	
	Connétable of St. Ouen	
	Connétable of Trinity	
	Connétable of Grouville	
	Connétable of St. Brelade	
	Connétable of St. Martin	
	Connétable of St. Saviour	
	Connétable of St. Peter	
	Connétable of St. Lawrence	
	Connétable of St. Mary	
	Deputy R.C. Duhamel (S)	
	Deputy of St. Martin	
	Deputy R.G. Le Hérisier (S)	
	Deputy J.B. Fox (H)	
	Deputy J.A. Martin (H)	
	Deputy of St. Ouen	
	Deputy of Grouville	
	Deputy of St. Peter	
	Deputy J.A. Hilton (H)	
	Deputy P.V.F. Le Claire (H)	
	Deputy J.A.N. Le Fondré (L)	
	Deputy of Trinity	
	Deputy S.S.P.A. Power (B)	
	Deputy K.C. Lewis (S)	
	Deputy of St. John	
	Deputy M. Tadier (B)	
	Deputy A.E. Jeune (B)	
	Deputy A.T. Dupré (C)	
	Deputy E.J. Noel (L)	
	Deputy T.A. Vallois (S)	
	Deputy A.K.F. Green (H)	
	Deputy J.M. Maçon (S)	

The Greffier of the States (in the Chair):

Very well, we come now to amendment 6(b), this makes certain amendments to the second bullet point in the section, “Why we must do this”, so if amended the bullet point that currently begins: “The public continues to demand high quality services ...” would now read: “We recognise that it

will be difficult to maintain high quality services funded by low taxation.” That is amendment 6(b) and the Greffier will open the voting.

POUR: 11		CONTRE: 35		ABSTAIN: 0
Senator S. Syvret		Senator T.A. Le Sueur		
Senator A. Breckon		Senator P.F. Routier		
Deputy of St. Martin		Senator P.F.C. Ozouf		
Deputy J.A. Martin (H)		Senator B.E. Shenton		
Deputy G.P. Southern (H)		Senator J.L. Perchard		
Deputy of Grouville		Senator S.C. Ferguson		
Deputy M. Tadier (B)		Senator A.J.D. Maclean		
Deputy of St. Mary		Senator B.I. Le Marquand		
Deputy T.M. Pitman (H)		Connétable of St. Ouen		
Deputy M.R. Higgins (H)		Connétable of Trinity		
Deputy D. De Sousa (H)		Connétable of Grouville		
		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of St. Saviour		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Connétable of St. Mary		
		Deputy R.C. Duhamel (S)		
		Deputy R.G. Le Hérisssier (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy P.V.F. Le Claire (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy T.A. Vallois (S)		
		Deputy A.K.F. Green (H)		
		Deputy J.M. Maçon (S)		

The Greffier of the States (in the Chair):

The Deputy has now asked for amendment 6(c) and (d) to be taken together. To remind Members, 6(c) deletes the fourth bullet point, the one that reads: “With pressures on resources we must consider what services we deliver, question whether they should continue to be provided and, if so, determine what level of provision is appropriate and sustainable.” In the last bullet point, amendment 6(d) deletes the words at the end: “and consider alternatives for service delivery” so it would simply read: “We must challenge the value for money from services.” Those 2 amendments are being voted on together and the Greffier will open the voting.

POUR: 11		CONTRE: 35		ABSTAIN: 0
Senator S. Syvret		Senator T.A. Le Sueur		
Senator A. Breckon		Senator P.F. Routier		
Deputy of St. Martin		Senator P.F.C. Ozouf		
Deputy J.A. Martin (H)		Senator B.E. Shenton		

Deputy G.P. Southern (H)		Senator J.L. Perchard		
Deputy M. Tadier (B)		Senator S.C. Ferguson		
Deputy of St. Mary		Senator A.J.D. Maclean		
Deputy T.M. Pitman (H)		Senator B.I. Le Marquand		
Deputy M.R. Higgins (H)		Connétable of St. Ouen		
Deputy D. De Sousa (H)		Connétable of Trinity		
Deputy J.M. Maçon (S)		Connétable of Grouville		
		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of St. Saviour		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Connétable of St. Mary		
		Deputy R.C. Duhamel (S)		
		Deputy R.G. Le Hérisssier (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy P.V.F. Le Claire (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy T.A. Vallois (S)		
		Deputy A.K.F. Green (H)		

Greffier of the States (in the Chair):

We come now to the amendment 7. The Deputy has asked for 2 votes on the separate subparagraph (a) and (b). So, firstly on subparagraph (a), this is in the section, “What we will do” under Priority 4. The first amendment deletes the words: “No additional spend unless matched by savings or income.” Basically it effectively deletes a small part of ... within the subparts of the second bullet point it deletes the one with a dash: “No additional spend unless matched by savings or income.” This is 7(a) and the Greffier will open the voting.

POUR: 11		CONTRE: 35		ABSTAIN: 0
Senator S. Syvret		Senator T.A. Le Sueur		
Senator B.E. Shenton		Senator P.F. Routier		
Senator A. Breckon		Senator P.F.C. Ozouf		
Deputy R.G. Le Hérisssier (S)		Senator J.L. Perchard		
Deputy G.P. Southern (H)		Senator S.C. Ferguson		
Deputy M. Tadier (B)		Senator A.J.D. Maclean		
Deputy of St. Mary		Senator B.I. Le Marquand		
Deputy T.M. Pitman (H)		Connétable of St. Ouen		
Deputy M.R. Higgins (H)		Connétable of Trinity		
Deputy D. De Sousa (H)		Connétable of Grouville		
Deputy J.M. Maçon (S)		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of St. Saviour		

	Connétable of St. Peter		
	Connétable of St. Lawrence		
	Connétable of St. Mary		
	Deputy R.C. Duhamel (S)		
	Deputy of St. Martin		
	Deputy J.B. Fox (H)		
	Deputy J.A. Martin (H)		
	Deputy of St. Ouen		
	Deputy of Grouville		
	Deputy of St. Peter		
	Deputy J.A. Hilton (H)		
	Deputy P.V.F. Le Claire (H)		
	Deputy J.A.N. Le Fondré (L)		
	Deputy of Trinity		
	Deputy S.S.P.A. Power (B)		
	Deputy K.C. Lewis (S)		
	Deputy of St. John		
	Deputy A.E. Jeune (B)		
	Deputy A.T. Dupré (C)		
	Deputy E.J. Noel (L)		
	Deputy T.A. Vallois (S)		
	Deputy A.K.F. Green (H)		

Greffier of the States (in the Chair):

We come finally to the amendment 7(b) which looks at the fifth bullet point and makes certain changes to it. The one that begins: “The public’s expectations ...” so this would now read, if amended: “The public’s expectations of high quality services will require a hard look at progressive alternatives in taxation measures.” So I ask the Greffier to open the voting on amendment 7(b).

POUR: 11	CONTRE: 34	ABSTAIN: 0
Senator S. Syvret	Senator T.A. Le Sueur	
Senator A. Breckon	Senator P.F. Routier	
Deputy of St. Martin	Senator P.F.C. Ozouf	
Deputy J.A. Martin (H)	Senator B.E. Shenton	
Deputy G.P. Southern (H)	Senator J.L. Perchard	
Deputy of Grouville	Senator S.C. Ferguson	
Deputy P.V.F. Le Claire (H)	Senator A.J.D. Maclean	
Deputy of St. Mary	Senator B.I. Le Marquand	
Deputy T.M. Pitman (H)	Connétable of St. Ouen	
Deputy M.R. Higgins (H)	Connétable of Trinity	
Deputy D. De Sousa (H)	Connétable of Grouville	
	Connétable of St. Brelade	
	Connétable of St. Martin	
	Connétable of St. Saviour	
	Connétable of St. Peter	
	Connétable of St. Lawrence	
	Connétable of St. Mary	
	Deputy R.C. Duhamel (S)	
	Deputy R.G. Le Hérisier (S)	
	Deputy J.B. Fox (H)	
	Deputy of St. Ouen	
	Deputy of St. Peter	
	Deputy J.A. Hilton (H)	
	Deputy J.A.N. Le Fondré (L)	

		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy T.A. Vallois (S)		
		Deputy A.K.F. Green (H)		
		Deputy J.M. Maçon (S)		

7. States Strategic Plan 2009-2014 (P.52/2009): fifth amendment

The Greffier of the States (in the Chair):

Very well, we come now on the running order to number 28. This is an amendment in the name of the Deputy of St. Mary relating to environmental taxation. This is the fifth amendment, number 3, accepted by the Council, and I ask the Greffier to read that amendment.

Deputy Greffier of the States:

After the words: “Attached as appendix 1” insert the words: “Except that in Priority 4 on pages 15 to 16.” In the section entitled, “What we will do” for the fourth bullet point which begins: “Introduce a range of environmental taxes” substitute the following bullet point: “Investigate the introduction of environmental taxes and charges, part of the pursuit of environmental objectives as set out in Priority 13.”

7.1 The Deputy of St. Mary:

Just a very brief remark. The first thing is to add the word “as” into the amendment as printed: “Investigate the introduction of environmental taxes and charges as part of the pursuit of environment objectives as set out in Priority 13.” The reason I brought this is very simple. I just give the one example, because of the lack of environmental taxation and funding, because the States have dithered over things like vehicle excise duty and so on, because of the lack of this funding stream certain good initiatives have just stopped. The Education, Sport and Culture Department wanted to put in place an environmental adviser for schools to beef-up the whole issue of looking at things like climate change and global sustainability and the whole environmental agenda. It is a technical matter and teachers do need guidance on it and encouragement and assistance. That simply just stopped because it was to be funded by environmental taxation, and what I wish to do with this amendment is to decouple good initiatives that should be happening and just simply put them in the pot with everything else. So what I am calling for is to get away from the idea that if we do not have this environmental tax you cannot have that little bit of environmental progress and simply say that we should look at environmental taxation, among other taxes, as part of the whole process of government. Thank you.

The Greffier of the States (in the Chair):

Is the amendment seconded? [**Seconded**] Senator Ozouf.

7.2 Senator P.F.C. Ozouf:

In the spirit of wanting to accept everything possible, the Council of Ministers has accepted this amendment. I just do need to say to the Deputy ... and remind him of the way the States does agree its spending and taxation. We agree a business plan that will be lodged in the summer and debated in September and then we tax. I will just say to the Deputy that I do not think it is conceivable ... he has removed the words from the amendment of bringing forward environmental taxes until the economic climate improves. I do not think that we should be increasing taxation outwith perhaps fuel duty and the normal things that happen in the budget in the economic

downturn, and I also need to say to him - and it is difficult - that the increased spending that he wants has to be afforded and it has to be set against other priorities, and while he thinks environment spending, such as spending more money in education on environmental initiatives, is important, other people will say that things like childcare and mental health services are more important. So there is an issue of prioritisation. I do not think we need to have a big debate on it. I think the Council of Ministers' position is clear and we will accept his alternative wording but it is on those provisos.

7.3 Deputy A.K.F. Green:

I will be brief. I have got no problem with the amendment. I would just urge the Minister for Treasury and Resources and those that do look at environmental taxes to bear in mind that sometimes they can be disproportionate on the lower paid. I would like to see environmental taxes coming in where there are real alternatives. For example, if we are going to tax vehicles, that is fine if there is a real good bus service as an alternative. But many of the elderly folk, many of the disabled, living in the country Parishes depend on their car and, therefore, the tax can be disproportionate. I would just urge caution. I will support the amendment but I just urge caution in applying environmental taxes across the board.

7.4 Deputy M. Tadier:

I would echo those words also. I think it is key that if one is levying taxes, quite rightly, Deputy Green pointed out that it will disproportionately hit those lower ... so, for example, if you increase the duty on petrol then it is going to be those who can least afford to put petrol in their vehicles who will be hit, which is not necessarily a problem if you increase the bus level service and make it more assessable and more regular. But that needs to be done in parallel or ideally you need to do that before, so you need to start investing in the bus service before you would put those kind of taxes in place. One reassurance I would be asking for if environmental taxes were introduced is that they are not some kind of stealth tax whereby it is used just as a general way to raise revenue but rather that environmental taxes be ring-fenced for environmental initiatives because you could end up in the strange situation whereby we vote for a law for taxes ... so let us give the example, we say let us put the impôt duty on fuel up and we invest in that in an industry which causes lots of pollution. It might give us an actual quantitative increase in G.D.P., for example, but it is doing the opposite of what environmental taxes should be doing. So I would also advise those words of caution, but otherwise I see no problem in supporting this amendment.

7.5 Deputy P.V.F. Le Claire:

We looked at environmental taxes on the Environment Scrutiny Panel and I do not know if the Minister for Planning and Environment is going to speak on this debate but the thing that has already been pointed out is that the proper environmental taxes do need to have proper environmental motives and they should not just be for raising money but also for changing habits.

7.6 Connétable J. Gallichan of St. Mary:

Just following on from what Deputy Tadier just said, I understood what he said and I know we are not looking at the report but it does give extra background. Could the Deputy of St. Mary when he sums up please explain exactly what he means by decoupling the taxes from the objectives in the light of what Deputy Tadier just said. I would just like to say that I am not going to support this amendment. I have not supported environmental taxes when they have been discussed before, not because I do not believe they are worthwhile - I certainly do - but I have a policy of not accepting anything where a tax is levied where there is not an equal access to an alternative to all sectors of the community. I very much echo what Deputy Green and, in fact, part of what Deputy Tadier said in that respect. So I will buck the trend and vote against this.

7.7 Deputy J.M. Maçon of St. Saviour:

Just to echo what Deputy Le Claire said, environmental taxes are there to change behaviour, not to generate revenue. The idea is that at the end you are not having to pay environmental taxes because you have managed to change the behaviour. I have not decided how I will be voting.

7.8 Deputy J.B. Fox:

I and others have been asking for ring-fencing, especially like fuel charges to go to green issues, *et cetera*, as appropriate, for many, many years. My concern still remains that this is a very delicate time to start thinking about introducing taxes. I can go for this amended proposition on the understanding that it takes for ever and a day to get something through the States and will take time to put a positive programme forward, which will probably be towards the end of this proposed Strategic Plan. But what I would be seeking some reassurance from the proposer on is that the general public are not inundated with additional taxes at this moment in time. As has already been stated, the other alternatives should be examined and there is a lot of new technology that could, for argument's sake, be reviewed through vehicle standards on types of vehicles that can be imported that are now commonplace elsewhere in the world, which is still prohibited here. These are the sort of areas - it is not just money, it is also technologies, *et cetera* - that we should be looking at, some of which are extremely good.

7.9 Deputy R.C. Duhamel of St. Saviour:

“Investigating the introduction of the environmental taxes and charges as part of the pursuit of the environmental objectives as set out elsewhere.” I think that is very laudable as an aim but what I would not like to see is the Treasury using the green badge, if you like, as a measure for introducing revenue generating facilities to put monies into the Treasury or, indeed, other departments who should really be making the calls for those monies to be inscribed into their own budgets on environmental grounds so that environmentalism and all the aims that we do support can be seen to be more mainstream. With that in mind, I think we can support the investigation but, as I say, I am not 100 per cent sure that if the Minister for Treasury and Resources is intending to use this measure in the way I outlined that it is supportable.

7.10 Deputy A.E. Jeune:

Just looking quickly at it and having listened to the previous Members who have spoken on this, I would just wonder whether the wording: “Investigate the benefit of environmental taxes”, *et cetera*, would have been better rather than: “Investigate the introduction of.”

7.11 The Deputy of St. Mary:

That was quite a little potpourri. I shall do my best. I think I will take, first of all, this question of ring-fencing. It is very attractive and there are quite technical arguments around ring-fencing, but my initial reaction ... it was Deputy Tadier, I think, who was talking about ring-fencing. **[Interruption]** Now, come, come. Shall I sit down while this matter is dealt with? **[Laughter]** The whole point about this amendment is to investigate the introduction of environmental taxes. Now, we are not looking at doing it, we are looking at seeing how this could be done, and I think it is important that my phrase “pursuit of environmental objectives” - I think Deputy Le Claire picked up on that - they do have to do that environmental job as well. When you are investigating we need to look at the relative impacts which somebody mentioned - I think Deputy Green - and offsetting and so on, to make sure that taxation does not impact unfairly on the less well off. But I would say to that, as he mentioned, if you, for instance, put a tax on vehicle fuel and then spend it on the bus service and end up with a better bus service you have reduced people's need to spend money so you have benefited. But you do have to look at the relative impact. That is part of what I mean by the word “investigate”, set against other priorities, well, of course. Ring-fenced, I have to come back to this, I do have a problem with ring-fencing. The car park trading fund ties this Assembly down probably to doing the wrong thing. It is very dangerous when you go down the ring-fencing route. We will take this little pot and we will spend it on that. Five years on you have got a little pot and

you find that you do not need to be spending it on that at all but you are tied because that little pot has got to be spent on that. So that is why this is couched in general terms and I thank the Council of Ministers for accepting this and I move the amendment.

The Greffier of the States (in the Chair):

I put the amendment. The appel is called for. The vote is for or against amendment 3 in the fifth amendments of the Deputy of St. Mary in relation to environmental taxes. The Greffier will open the voting.

POUR: 37		CONTRE: 5		ABSTAIN: 0
Senator S. Syvret		Senator B.E. Shenton		
Senator T.A. Le Sueur		Connétable of Grouville		
Senator P.F.C. Ozouf		Connétable of St. Brelade		
Senator J.L. Perchard		Connétable of St. Mary		
Senator A. Breckon		Deputy of Trinity		
Senator S.C. Ferguson				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. Peter				
Connétable of St. Lawrence				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy of St. John				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

8. States Strategic Plan 2009-2014 (P.52/2009): tenth amendment

The Greffier of the States (in the Chair):

We come now to the second of the tenth amendments in the name of Deputy Higgins. This one is also an amendment to Priority 4 which is accepted by the Council of Ministers, and I ask the Greffier to read that amendment.

Deputy Greffier of the States:

Except that in Priority 4 on pages 15 to 16 in the section entitled, "What we will do" after the last bullet point insert the following additional bullet point: "Examine whether borrowing is an alternative and optional way forward for long-term capital projects."

8.1 Deputy M.R. Higgins:

I am going to be very brief, I know Members are getting tired, you can tell. My reason for putting forward this amendment again relates very much to what I said earlier. I do not believe that we should get into too rigid a view about taxation, whether it be expenditure or whether it be borrowing. I believe that we should adopt a very flexible policy. We should not rule out any options. We do not know the situation we are going to be faced with during the next 3 years. There could be circumstances where pressing public work projects come up, whether they were because of lack of maintenance in the past or because of, I do not know, weather or whatever, some sort of calamity that causes a problem, and if we get into a rigid situation where we cannot fund these things because we have agreed we cannot spend any new money because we have not got it unless we make savings elsewhere, we would be in a ridiculous situation. So what I am saying is there are circumstances where borrowing is necessary and we should never rule it out. I think I will just leave it at that. It is just to give flexibility to the States and to the Island going forward.

The Greffier of the States (in the Chair):

Is the amendment seconded? [**Seconded**] Does any Member wish to speak on the amendment?

8.2 Senator P.F.C. Ozouf:

Just very briefly, we accept the amendment. Borrowing can be an option. All I would say is we do not - and I hope Deputy Higgins would agree - believe that one should borrow for consumption in the short term. That is a dangerous situation. It is something Guernsey is having to consider at the moment. I would hope that he would accept the words of not borrowing in order to deal with any structural deficits or funding short term expenditure. I would just say one thing about borrowing generally. There is one thing that Deputy Noel and I are in discussions with the Constables on, and that is social housing projects. Borrowing does have, rightly, a role in capital projects, something that has been done through housing trusts in relation to delivering social housing projects. If we can find a way, if banks are unwilling to lend at affordable and proper rates in relation to Parish housing schemes, then the Treasury working with the Parishes will look at alternative ways to make projects such as Parish residential retirement schemes work. But I hope that our finance industry will not lead us to do that by offering competitive rates by good creditworthy Parishes. But we will help where we need to. So I leave it at that.

8.3 Deputy A.T. Dupre of St. Clement:

The only thing I would say about borrowing is unfortunately a few years ago the States decided, in their wisdom, to borrow money on the Opera House. This is costing the States a fortune and I would say think very hard before you go down this line.

8.4 Deputy J.B. Fox:

The previous speaker has just highlighted - anybody who has been on Education, Sport and Culture - borrowing is an expensive thing. I shall not be voting for this even though it is recommended by the Council of Ministers because I think that we have not got to a stage where we have to consider that. It might, at some stage in the future, be something that we have to consider, but I do not believe at this moment that it is the right thing that we should be having to consider. Thank you.

8.5 Deputy A.E. Jeune:

This Island has been in a good financial position because of the hard work that was carried out by a number of previous Members. To go ahead now and put ourselves into debt at any time I just find incredibly unbelievable. If you cannot afford it, you wait. Thank you.

8.6 Deputy M. Tadier:

Just a quick comment. Obviously there is an old proverb, you know: “Neither a borrower nor a lender be”, but surely we cannot be so inflexible. In the private sector, private individuals in their personal lives, if they cannot afford a house you would not say to them: “Well, do not borrow money to get a mortgage. You have to rent a house for your entire life or live on the street.” So the argument taken *in extremis* is obviously an absurd one. So there are obviously circumstances whereby it is more profitable and it saves you money in the long term. Because if you buy a house and you pay it off within 20-30 years, it belongs to you and you are not having to pay rent, so again you are avoiding a false economy. So it is very sensible. No one is advocating that we borrow willy-nilly and every case should be taken on its own merits, but this is an eminently sensible amendment and I am glad it has been adopted by the Council of Ministers and it is purely there so that we do not tie our hands. There is no reason we should not adopt it.

8.7 Deputy D.J. De Sousa of St. Helier:

Just briefly, the basic grounds of this amendment is to have the flexibility that in an emergency, if we needed to, we have the flexibility over the next 3 years to take out a loan. It is not saying we have to do it; it is just having the flexibility. That is all I want to say.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on the amendment? Do you wish to reply, Deputy Higgins?

8.8 Deputy M.R. Higgins:

I think pretty well everything has been said. Just in answer to Senator Ozouf, I think we have to look at specifics for everything. I just say: “Never say ‘never’.” You never know what the situation is. The only reason I put this one forward is for flexibility. I am not advocating borrowing as a general rule or as an alternative to raising taxes or cutting expenses or whatever, it is just giving us the flexibility so that whatever comes up we have got all the weapons in our arsenal. Thank you.

The Greffier of the States (in the Chair):

I put the amendment. The appel is called for. The vote is for or against the amendment of Deputy Higgins in relation to borrowing and the Greffier will open the voting.

POUR: 37		CONTRE: 7		ABSTAIN: 0
Senator S. Syvret		Senator P.F. Routier		
Senator T.A. Le Sueur		Connétable of St. Mary		
Senator P.F.C. Ozouf		Deputy J.B. Fox (H)		
Senator B.E. Shenton		Deputy J.A. Hilton (H)		
Senator J.L. Perchard		Deputy A.E. Jeune (B)		
Senator A. Breckon		Deputy A.T. Dupré (C)		
Senator S.C. Ferguson		Deputy A.K.F. Green (H)		
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				

Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. Peter				
Connétable of St. Lawrence				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy M. Tadier (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

9. States Strategic Plan 2009-2014 (P.52/2009): eleventh amendment

The Greffier of the States (in the Chair):

That concludes the amendments on Priority 4. We come now to the amendments on Priority 5. These are all now in the name of Deputy Southern, the consequential amendments there might have been to the Deputy of St. Mary having fallen away with the rejection of that amendment. You are happy to propose all your amendments together, Deputy? This would be for the title of the priority which is accepted by the Council. That is your amendment 1(d) and then your amendments 8 and 9 to the different sections of the priority. Are you content to propose those as a package as they relate to population methods, and you can take separate votes possibly?

Deputy G.P. Southern:

Yes, I believe I can do that.

The Greffier of the States (in the Chair):

Are Members happy to take them once again as read? Very well. So Deputy Southern will propose within the 11 amendments 1(d) which changes the title of the Priority to limit population growth, which is accepted by the Council, and then propose his amendments 9 and 10.

9.1 Deputy G.P. Southern:

The first one is very straightforward. It is way back to 11(1)(d). It simply substitutes the words which I believe are more direct and more reflective of the intention of any population policy in Jersey. What it should be is simply to replace the words: "Promote sustainable population levels" with the words: "Limit population growth" because that is effectively whatever level we set that we want to do. More direct, simple language, and more accurately says what we intend. I welcome the fact that the Council of Ministers have accepted this and we are not arguing over this particular form of words. However, they then oppose the phrase that I have introduced into the first paragraph of Priority 5, and for the life of me I cannot understand why because, as we know full

well, like economists, ask 3 economists what the right answer is and you get 3 different answers and a 4th variety. If you ask 3 environmentalists to define “sustainable” you will probably get 16 different possibilities as to what sustainable is, depending on your point of view. During the early debate on priority ... one, was it? It seems such a long time ago. We have had several varieties of definition of “sustainable.” So the statement that I make: “However, there is no agreement over what level of population is sustainable and little consensus even over what this means” I think can be accepted by the Council of Ministers, surely, because that is a true statement. It provides one of the reasons why I want to change the title because the title contains the words “sustainable population levels” instead of “limit population growth”. Since we cannot agree on “sustainable” and what it means to whom ... it might mean anything, whether it is economic, whether it is environmental, whether it is societal, whatever, we simply cannot agree it. So let us take it out and replace it by: “Limit population growth.” The Council of Ministers appears happy with the replacement frame of words but refuses to accept - and I really cannot understand why - that one of the justifications, that we all have different interpretations of “sustainable”, is acceptable in the form of words in the first paragraph. I would have thought it was in their interest to take the word “sustainable” out and simply rest there. However, we appear to be at loggerheads yet again. I will not question why that happens. Fundamentally, what my amendments do is to defer acceptance of what the Council of Ministers has formulated as their population policy. I do that for a number of reasons. I accept and was very strong with the Chief Minister when discussing the first draft of the Strategic Plan, and he will no doubt mention it himself. I was very strong, saying the first version does not contain the word “population” anywhere. It must surely contain something about population. It is vital. It is key to everything else. Why is it not there? Well, the Minister has then done that and he is going to curse me, I am sure, for being the awkward person I am. Because now I am saying: “Hang on, hang on, you have brought a population policy and included it in there, but hang on, is it the right population policy?” Have we got the time today? We are starting this at 4.40 p.m. after 3 days of debate and, quite frankly, I do not know about you but I am exhausted. Is it right that we should be accepting that, “Okay, that population policy in this document here and now, that is okay, we will go ahead with that. We have given it thorough consideration. It is absolutely sound. It is a sound way to proceed.” I do not think we can do that. This is an alternative way of approaching population and migration policy. I will introduce the word “migration” deliberately at this stage because I accept that it is absolutely integral. Migration policy must come in and be explored to see if it can produce the controls which enable the population policy to be proceeded with. The 2 go hand in hand. One of the problems is that while we have a population policy, we have not got a migration policy in front of us. We have not got the detail of the new mechanisms so we cannot analyse how effective they will be. It just so happens that this coincides with a report of the Corporate Services Scrutiny Sub-Panel on population, and I think despite our variety of backgrounds Senator Ferguson, myself, the Deputy of St. Mary, the Deputy of Grouville and Deputy Vallois have agreed a series of reservations about the way in which the population and migration policy have been presented to us, and we have severe reservations about its content and its delivery. I am aware that people have only had this document since 1st June and we are only at the 4th, so it may well be that Members have not had the time to study these reservations in any depth whatsoever. However, I believe they are serious enough to warrant putting a stay on this and saying: “Population policy and migration policy are so important and so vital we need to give them full and proper consideration that we are picking the right numbers and that the Ministers have the justification correct for proceeding along the line that they wish us to do.” So, mature consideration from my first reaction early on in saying: “Where is the population policy? We must have it as quickly as possible. Get it in there, shoe-horn it in”, is a wrong one. It is so important that I think it deserves a separate and careful debate, separate to and distinct from the Strategic Plan. So, that is my reservation and the thrust of all of my amendments are to say: “No, let us not agree this - the population policy - on the back of agreeing the overall Strategic Plan.” We should not be doing that. We should be paying sufficient respect to population migration as to set aside a different date. Let us have a full exploration in the light of reservations

that we have made, some of which say we need some more information and we need some more detail before we can legitimately make a decision on this at another time. We are not talking about a long time. The first amendment in this particular section, which is - I keep seeing Deputy Wimberley's amendments, cross them out, they are gone - 11(9)(a), under "What we will do" says: "Ensure that there is a clear approach to future population levels." I wish to replace that by: "Ensure that a clear approach to future population levels [same wording] is brought to the States for agreement." It must be a States agreement within 6 months of the acceptance of the Strategic Plan. So that is the idea. Within 6 months we have a separate debate on exactly what the right mechanisms and exactly what the right numbers ought to be and a more fully informed debate about some of those aspects. That is what I wish to do. All the subsequent amendments back up that particular thrust, so that 11(9)(b) replaces: "ensures the total population does not exceed 100,000" with the phrase: "ensures that total population does not exceed levels set by the States." So let us come to that agreement. Let us set the level. Again further on, instead of: "maintains inward migration within a range between 150 and 200 heads of household per annum in the long term" is replaced by: "maintains inward migration agreed by the States." Then another substitution: "in the short term [so if that was the long term aim], allows maximum inward migration at a rolling 5-year average of no more than 150 heads of household per annum (an overall increase of circa 325 people per annum). This would be reviewed and reset every 3 years." Now reads: "in the short term allows maximum inward migration at a level agreed by the States. This would be reviewed and reset every 3 years." Then the next bullet point: "Implement new mechanisms to control the population through the migration policy" now reads: "Implement new mechanisms to control the population through a migration policy." Not: "the migration policy." Because the one that we will be working from we have not seen yet. Then finally: "Devise policies to mitigate the effect of an increased population on the natural and built environment" will read: "Devise policies to mitigate the effect of any agreed increased population on the natural and built environment" because it takes out the assumption that there will be an increase in population. So it gets back to a neutral statement rather than a definite: "We are going to grow the population." That still keeps open a zero growth but nonetheless I think that is fairer than building in the assumption that there will be an increase. I just want to talk briefly then about the key findings of the Scrutiny Panel which form the basis for our reservations and for why we think we can afford and must have a slight delay in order to have a full and proper debate on population *per se*, out and away from the massive task which is going to take us a long time anyway to agree the Strategic Plan. First of all, we have to say that we have very little questions. We are confident that the methodology as used by the States Statistics Department are robust. There is no problem about questioning the work that has been done, as far as the Stats Department, in terms of their methodology. However, questions remain as to the data used in these methodologies, as projections accompanying the population policy were not based on the most recent data. We have heard something of that in the earlier debate. I am getting some interference from behind me. Not based on the recent data. No, I do not have a metal plate in my head, it is voices. **[Laughter]** The 2005 figures were used to provide the baseline for projections, even though there has been high economic growth in 2006, 2007 and 2008. We heard during the earlier debate that this amounts to probably some 2,500 people in addition, which does make a difference to the dependency ratios and the projections. So that is the first issue we have: why have we not got bang up-to-date figures so we can accurately judge the projections? Secondly, we consider that the introduction of effective mechanisms to monitor and control the Island's population is of paramount importance to the debate on population policy. A decision regarding specific limits to net inward migration or regarding a target population size or mix should not be taken prior to the introduction of these mechanisms. So we are saying this is about the difference between population policy and migration policy. If the migration policy produces a robust mechanism with an effective method of counting the names and address register, *et cetera*, that we feel we can trust to deliver what we aim to deliver in terms of population, either in terms of heads of household coming per annum or in terms of overall targets, we have to be confident that that can be monitored, that can be controlled. If so, then fine, we know where we are and we can

proceed with the right numbers put in there. At the moment we do not have that confidence on the Scrutiny Panel that we have sufficient detail and sufficient information about how that will work. Quite frankly, we are not at this stage prepared to take it on trust because what we have seen is 2 distinct bodies ... the original Migration Advisory Group took something like 2½ years to really start to come towards what it could do and could not do and form some proposals. That unfortunately has been superseded by a new migration group and we have heard and have had information to suggest that several rethinks have taken place. There are bits of the policy still to be accepted by the Council of Ministers. There are bits that need tweaking. There is a whole principle about can we bring a population policy and then the migration policy or do we have to bring the whole package together? I think the latest thinking is that it has all got to come together so we can judge the whole package together. If that is the case, then we should not be hitting and hoping, crossing our fingers on the Strategic Plan, to say that we should go ahead with the ...

The Greffier of the States (in the Chair):

Sorry to stop you, Deputy, but the States have yet again ... The Deputy may continue.

Deputy G.P. Southern:

Thank you. [Aside] Okay. So that has formed the basis around which we are saying: “Let us not accept it now. Let us not cross our fingers and hope we have got the right numbers.” We have not seen all the evidence. In particular, we have not seen the detail of the migration policy to know that we can make it work. Another reservation we have and part of the key findings that we write about is that other aspects of the policy package mentioned in the Council of Ministers to address the effects of an ageing society have not to date been sufficiently researched, analysed or documented. What we are talking about there is the statement that we have heard earlier in this debate about the fact that migration policy is not the only thing that we are doing in order to cater for the changing demographic, the ageing of our society. There are several solutions and they have to be seen as a package, and they are increasing the pension age and/or working longer; increasing workforce participation and increasing productivity; and new forms of contributions, so increasing contributions to pay for increased care that we will need. Now, in *Imagine Jersey 2035* and since, we have received masses of documentation and detail about the option of migration. We have seen very little on the impact of increasing the pension age or working longer, although we believe that it has significant impact on projections but we have not seen the detail. We have not seen anything much on increasing workforce participation and productivity and that needs further exploration, nor have we seen anything with any detail or confidence at all about how we might increase contributions in order to pay for additional care, and particularly residential care. So what we are saying is the Council of Ministers have presented a whole raft of measures, a package, but they have given us massive detail in one area which we believe, on its own, cannot physically solve the problem and is a false solution. Therefore, we have to examine properly all the other elements of the package because they might be made to work. Yet we have not seen any detail much on that at all. So we are reluctant to advise anybody to say that we have got the package right at the moment because we have not seen sufficiently researched, analysed and documented alternatives that add up to the package. In particular as well, we have reservations that the consultation and work undertaken by the Council of Ministers has not provided sufficient opportunity for a debate on the various principles and philosophies that inform population policy. So, certainly there has been no consultation - to the best of my knowledge - and certainly no universal agreement that 150 is the right number. There has been a drift downwards from 250 through 200 to 150 now, and that is the correct figure, we are told. Nor has there been sufficient consultation and certainly no consensus and no agreement - because there has been no consultation on it - that 100,000 is the correct figure that members of the public are prepared to go with, and that in 10 years down the line or whenever it is, 2035, 25 years down the line, that that is the figure we will reach and that is an acceptable target for growth in the population. Certainly, that consultation and that agreement has not been reached with the public out there. So we are loath to agree it now on the back of the Strategic Plan.

So, we need more recent data. We need the migration legislation - which is the mechanism by which we will enforce population policy - in place. We also need to examine how often we will review it. It is very confusing to be told by the Chief Minister that he had a long-term plan that was going to go into the future and yet was going to be reviewed in 3 years' time. I will just introduce a personal bit here - but not necessarily robustly in the scrutiny report - that says I in particular have serious doubts about why 3 years because it happens to coincide with when most people are predicting that we will be out of recession and then, if we are, the 150 which might be enforceable in the next 2 years will become a very hard target to reach as the economy takes off. We know what happens when economies start growing; we suck in more migrants. So the 3-year review is also up for debate and is not written in stone and not certain, and certainly not clearly justified as far as we are concerned. Then, further, we need that further detail about the other options, the 4 options that we are going forward with, in order to cater for an ageing society, and also the principles underlying the population policy need to be further explored so that we can agree, or not, a figure. It may well be the 150 and the 100,000 that forms part of the current Council of Ministers' thinking. However, in the light of the scrutiny report and the reservations expressed therein, we do not feel confident at this stage that we can simply accept those figures here and now on the back of the Strategic Plan, and we would call for further detail and a debate within 6 months to make sure that everyone in this House can be confident that we have the right information, we have the right numbers and we have the right mechanism to enforce those numbers so that we can confidently go forward with a longer term plan into the future. So, I heartily recommend to Members the amendments I have brought forward which coincide with the reservations expressed by the Corporate Services Sub-Panel on this issue.

The Greffier of the States (in the Chair):

Amendments 1(d), 8 and 9 of the eleventh amendment are proposed and seconded? **[seconded]**

Deputy M. Tadier:

Am I allowed to ask a point of clarification and then reserve the right to speak?

The Greffier of the States (in the Chair):

Who is the point of clarification of?

Deputy M. Tadier:

It is of Deputy Southern.

The Greffier of the States (in the Chair):

Yes, if you wish.

Deputy G.P. Southern:

I may even be able to answer it.

Deputy M. Tadier:

I hope so. I just wanted to question whether the Deputy intended ... obviously I know what the wording says for the amendment of the first part. When it says: "Limit population growth" is he referring directly to limiting the population or limiting specifically the growth of the population or both?

Deputy G.P. Southern:

I believe the correct answer is I wish to limit the growth of the population - and does that not exclude any number - so that the population does not grow.

9.2 Deputy M. Tadier:

Thank you to the Deputy for his clarification. The reason I ask that is because initially looking at this it seemed that there was something of a contradiction which I may have misunderstood. It seems to me that we had a very long debate - I think it was the first day and the second day - on population, at which point many Members said that they could not support the Deputy of St. Mary's amendment on the grounds that they did not want to set a cap on the population, they wanted the flexibility there. But it seems to me that in accepting the Council of Ministers' amendments - which are on page 17 - that there is a cap which has been spoken of, of 100,000, which no one seems to have agreed with. I believe that is the ... **[Interruption]**. On page 17 the Council of Ministers make the statement: "To ensure the total population does not exceed 100,000." So we have already got a cap.

The Greffier of the States (in the Chair):

In the draft plan. I think you inadvertently said in the Council of Ministers' amendments, Deputy. You mean in the draft plan itself?

Deputy M. Tadier:

In the draft plan, yes, that is correct.

The Greffier of the States (in the Chair):

The Deputy is seeking to amend you.

Deputy M. Tadier:

That is correct, yes, that is right. I agree. As far as I know, the amendment is currently being opposed still. Is that correct? Yes. So the point I am making: I do not see why there is such a big fuss about putting a cap on the population at its current level. It is called a cap, even though I suspect that was slightly inaccurate, when, in fact, we have got a cap here already, which we know is meaningless because the caps go up and down all the time. Well, they go up and they never get stuck to. But the real point I want to make, quite curiously I do not think I can accept the first amendment insofar as I think the wording promotes sustainable population levels. It is more accurate and it is what I would favour. The reason for that is because I know what I mean by "sustainable." I suspect that the Council of Ministers may not have the same definition as I do of "sustainable" and limiting population growth is for me not the same thing. So I do not necessarily have a problem with that part but strangely I cannot see why the Council of Ministers is opposing the further amendments as listed on page 17 of the Strategic Plan draft we have got here. I will just echo the Deputy's comments. There has never been any real discussion or any consensus within the House as to what the population should be. We seem to be using this Strategic Plan as a debate for what the population is. I think it is only right that, certainly, we should ... so I would support 9(a) in which it says: "We should ensure that a clear approach to future population levels is brought to the States for agreement within 6 months of the acceptance of the Strategic Plan." That seems to me to be eminently sensible, but I would question why we commissioned a population policy report at a time when the Council of Ministers has already basically said: "We know what we want to do with the population. We want to increase it by X amount for these reasons." It seems that again we have put the cart before the horse. So I am slightly confused as to why we have gone down this road. So I think the sustainable part is worth supporting because I believe we do need a sustainable population plan in the long term, but I will be supporting the rest of the amendments.

9.3 Senator T.A. Le Sueur:

I will begin by saying that I did consider, when we were looking overnight, whether this amendment 11(8) was something that we could support. In the end I am glad I did not because what it really is, I think, is setting the scene for amendments 9(a) to (e) and that, of course, we cannot support. I think amendment 11(8) simply sets out to sow what I call the seeds of uncertainty in Members' minds and try and get them down a particular line of thinking. I think the thrust of the argument that the Deputy would like to have is to review the States agreed migration policy. In

fact, he suggests that we do not have a migration policy. We do have a migration policy and that was agreed by the States some time ago. So I think what this is, is an excuse to defer any action on population for 6 months or more until we have debated not the policy but the new migration legislation to be implemented in accordance with that policy. That legislation, as I said in my introductory comments, is part of the “hows” not part of the policy “whats”, and the new laws will be a tool in order to implement that agreed migration policy. I know that the Deputy objected to that policy at the time and would like to revisit it, but I think this is not an occasion to use this debate as an excuse to revisit that policy. I think, rather, as he did not approve of the fiscal policy and brought earlier amendments in an effort to review that policy, so he did not like this migration policy and wants to have an excuse to review that. I think that is simply an excuse for trying to delay. We need to have a population policy and we need to have that population policy now. Why do we need it now? We need it because it affects so many other parts of the Strategic Plan. It affects our infrastructure needs, our transport policy needs, our housing needs, our pension needs, and indeed the new Island Plan itself. So are we going to hang back on all of those until we consider re-debating population and migration? I think for too long and too often the States defers and puts off making important decisions. We as the Council of Ministers believe in showing firm leadership and setting an example. I think we will set 2 examples here today: one of clear leadership and one of me speaking for no more than 5 minutes, because I think this amendment is simply a cover for delaying tactics and re-opening an old debate. I ask Members to reject the amendment.

9.4 Deputy T.A. Vallois of St. Saviour:

With regards to the last comments of the Chief Minister, I would just like to reiterate the fact that the States do leave things too late because if they had done it properly in the first place it should have been debated 30 years ago on exactly the population levels that should have been put in place. I was on the sub-panel - sorry about my voice if it goes, I am not well - that scrutinised this population policy and, to be honest, with the amendments that are coming forward I am only going to support 2 of them because the rest of them I am going to abstain on because the information that I have seen on that sub-panel is the same as the Strategic Plan, fluffy. It is not good enough. The figures are basing on 2005 baseline when we are now in 2009. It just does not add up. It is really beyond me even bringing the Strategic Plan to this House to debate because it is all about the “whats”. Let us get on and do something and do the “hows”: how are we going to do it? Migration legislation has been waiting, what, 2½ to 3 years now. When are we going to be debating this and putting the mechanisms in place? It really does tickle me: implement new mechanisms to control the population through the migration policy. Yes, okay, let us implement the new mechanisms. When? A year, 2 years, 3 years down the line? It is ridiculous. We are putting things through on the Strategic Plan and as a population policy but does it really mean anything? We have seen the report 34 of the Strategic Plan - the last Strategic Plan that we have had - and 79 of the wish list have apparently been completed, but looking at it from my point of view I would say half of them have not been completed. So where are we going? The population policy, on the second paragraph of Priority 5 it states: “The challenge for Jersey is to maintain a working-age population which enables the economy to function and public services to be sustained without threatening our environment, essential infrastructure and quality of life if Jersey is to maintain a high standard of living.” Who has gone out there and asked the people of this Island what actual level of service they want? The exact question: “Do we want a high level of service? By the way, if you want a high level of service we are going to have to increase your taxes or we are going to have to get some more money out of you some way.” So go out there and ask the proper questions and get the proper answers from the people on what they really do want instead of just sitting around and making assumptions all the time.

9.5 Deputy P.V.F. Le Claire:

I would like to congratulate the previous speaker because she is speaking with vigour and from an informed perspective on a subject that we have been debating for 10 years at least. Even when I started to debate it then, the material that I was resourcing was 10 to 20 years old then, and the figures and the facts and everything else just cloud the issue. The Chief Minister just said that he did not want to support Deputy Southern's amendments, again another attempt to malign proposals being brought forward, on the basis that they are part one of a set-up for other things that are coming further down the line. It really does seem to me a mechanism to demonise Deputy Southern and a mechanism to malign his work, his efforts, and to impute improper motives to suggest that everything he is doing is to set something else up. Because it is my view ...

The Greffier of the States (in the Chair):

It is not my role to defend the Chief Minister. I think what he said is that he thought he was opposing amendment (8) because he felt it was a prelude to amendment (9). I do not think he was referring to something coming in the future.

Deputy P.V.F. Le Claire:

Okay, well, I am seeing reds under the bed then, sorry. I withdraw the inference. It certainly was what I had drawn because of the previous comments, perhaps, which are not normally recorded as part of Hansard that you hear, the quips from other Members, *et cetera*, that are not normally part of the States records and the conversations that occur in the coffee rooms. But the bottom line is that the Chief Minister's speech was about not supporting Deputy Southern's proposals because we must get on and get on with it. Yet, yesterday - or it was not yesterday, it was Tuesday, the 2nd June - he answered my questions, and I said this in the previous debate, on the Constable of St. Clements' statement on 13th May which was: "All the work is done. All the laws are ready. Where are they?" He has written ... it is in the front of all Members' written questions. If Members read them then they will see, as I said before, that they are going to be drafted later this year with the full legislation lodged towards the end of 2009 or early in the New Year for debate shortly thereafter. That legislation and those things that are part of the mechanisms, as I pointed out before, one, 2, 3, were all brought before the States in December 2007. In December 2007 it highlights the fact that they were agreed in June 2005. Within the document it says that they will be delivered by ... for example, the index will be created and go live in 2009. We were being told by the Chief Minister on Tuesday it is not even going to go into consultation until February of next year, and yet this afternoon we are being told we cannot support Deputy Southern's proposals because it will delay things and he wants things done now. Well, since when did the Council of Ministers or the Policy and Resources Committee or the predecessors of those committees ever want population tackled, let alone now? It has always been about pushing it forwards, pushing it forwards, moving it on and moving it on. The result has been and continues to be an Island where those that have houses and those that have other houses that they are landlords of are living in a different Island to the vast majority of people who do not have houses and who are trapped in rental accommodation and now looking at difficult times ahead and property prices that for some extraordinary reason, when all of the rest of the world's property prices are crashing around us, Jersey's property prices are continuing to rise. Why? Because they have always ensured that there is just enough shortage to continue to fill the landlords' houses with tenants and to maintain the value of their own homes. There has never been enough built. There has never been enough control. There has never been enough preservation of opportunity. If the States are going to go for an outsourcing policy ... I found it ridiculous this afternoon that we were debating that because the States agreed to that years ago, that there would be an outsourcing policy. All they have done this afternoon is agreed now that the Ministers can take it on their own backs as ministerial decisions. We will be told as a *fait accompli* that things have happened, like they did with the investors. It will be information that will come back to us as something they have done, if we find out. The reality is that the people that will now be facing a difficult time, a more uncertain future in this Island if they decide to stay, will be faced with how to find another job that gives them the income

to pay for their rents and gives them the income to pay for their mortgages, when in reality the jobs that will be on offer will have been outsourced. They will still be the same jobs that they were doing, but they will be at considerably less money than they were offered in the first instance and with considerably less security. They will be given ultimatums like: “Right, okay, here you go. Here is £1,200 bonus for Christmas. We are all going private and in January you are going to lose all these terms and conditions, and if you do not take it and keep your mouth shut you lose your job.” That has happened in Jersey. We know that has happened in Jersey. It happened in Jersey with some garages not so long ago, and people were kept on. Deputy Southern is bringing forward some amendments that I can agree with and some amendments that I disagree with. I concur with what Deputy Tadier has said in relation to the first amendment. I think the original wording was stronger. But I do think 2 of the good things that have been brought forwards ... one is implement new mechanisms to control the population through a migration policy. It is almost comical, a migration policy, because there certainly is not one. Migration happens every day in Jersey. In a comical way there has been people that I have spoken to that have woken up after a stag night on the beach with no money in their pockets and gone and got a social security card and been here ever since. Came for the weekend; never left. The issues about exceeding population and capping population are non-starters as far as I am concerned. As I said before, I do not care how many people are on this Island, as long as those people that are on the Island have a high quality of life and as long as the economy is doing well, as long as the services and the social services are provided for, and as long as we have a decent place and a bright future for those children that are being born on this Island. We certainly do not have that. So, to consider the words of the Chief Minister, to throw this stuff out from Deputy Southern this afternoon, I think is misinformed. We have got no appetite for population anymore, and it was interesting to hear Deputy Vallois speak because young Members - and certainly the community - have got a voracious appetite for this topic. We have been bludgeoned to death with it. We need to start to reconsider proper debate. We need to reinvigorate ourselves on this topic and we need to table something that is going to be effective because if we do not we are turning out back on the future generations of this Island, and we are educating them for a future that has no future for them.

9.6 Deputy T.M. Pitman:

I was going to start by just saying for everyone’s benefit how I have thoroughly enjoyed the last 3 days and it has probably been among the most exciting times I have spent. **[Laughter]** But I do not get out much. **[Laughter]** Where to begin? The Chief Minister accuses Deputy Southern of a deliberate desire for procrastination, I think. I have to say, sorry, I believe the reality here is that the Chief Minister just does not want to face up to an in-depth debate on what is such a huge subject. I do not know if you can still say “testicular fortitude”, but I question whether the Council have that. It is a huge issue.

The Connétable of St. Mary:

On a point of order, I do believe that comments like the one that was just made do not belong in this Assembly. **[Approbation]** I do think I am not the only person who is aggrieved by it and so I think it should be mentioned.

The Greffier of the States (in the Chair):

I think that is probably right. I think it is inappropriate language.

Deputy T.M. Pitman:

Always willing to take the chair’s word, but I do not think it is a rude word. It seems to be a case of who you are and what you can say, but there we go.

The Greffier of the States (in the Chair):

I do not think so with remarks like that. Anyway, let us move on.

Deputy T.M. Pitman:

So, where was I? Sustainability. We are arguing over this word and I do not think - unlike my colleague Deputy Tadier - that it is stronger to have that word in because, quite frankly, in local politics now it is a nothing word. Because until it fully embraces the local and world environment it is just spin. It can be made to mean absolutely anything. I think Deputy Southern's amendment makes far more sense and I will certainly be supporting it. If I can touch on the Chief Minister again, I really think that perhaps he does not appreciate how serious this issue is and how big, especially for children and younger people. I am not 18 anymore but it is still an important issue to me. Deputy Southern is suggesting a delay of 6 months. That seems eminently sensible to me. The population and migration policy are so crucial in government taking this Island forward that I for one have to agree with the Deputy's call. It is urgent, too. So 6 months, I see no problem with that. Indeed, once again it seems to happen quite a lot the last 3 days, I really cannot see why Members would have any problems with some of these amendments. We have gone on and on and we have argued about the trivialities instead of looking at the important things. There might be many reasons for objecting to these amendments, but I would suggest that at 5.25 p.m., being tired - and understandably so - as many of us are, that is not a good enough reason to reject these laudably sensible suggestions. Indeed, if I heard correctly and Senator Ferguson is also of this view and the others on the panel, then I think that is good enough for me. Why do we want to push on so quickly? There are real reservations being made here. Let us just stop, consider for a moment and be willing to come back. I think we should really have some consideration here for the scrutiny process. Why ask people to spend so many hours - as all of us in Scrutiny do - if we are just going to cast that aside? We have got a number of politicians here looking at this closely. They have come to some decisions, some considerations, upon serious reflection. Let us listen to them. Let us listen to them. Scrutiny matters, does it not? To move on, like many Members I have real reservations on both the 100,000 and the 150 heads of household figure and how they were arrived at. I have not been convinced by what I have heard the last 3 days. Are any of us really, really happy with the way those have been arrived at? I do not think we are. I think those who are supporting this - and I do not mean this in a rude way - it is almost herd mentality. I think it deserves a much more in-depth and lengthy consideration. Consequently, I believe we most definitely need a wider debate with much enhanced data. I am going to accept all the amendments. I really would urge all Members to do so. We are not all in the Chamber. I am sure everyone else is listening. I think there is a tendency here, an inclination maybe as I have touched on, at 5.27 p.m. to think: "Let us just get on with this. Let us rush it through, make a decision." Perhaps that was not fair to say: "Rush through a decision." We are on page whatever it is now, 15, 20. What are we on, number 34 and 70 amendments? Fatigue is not the time to rush into this. I think Deputy Southern has made his case very well. He has certainly asked enough questions to warrant that delay for 6 months. I would happily give way for a moment if the Chief Minister wanted to try and convince me again of why he feels that is so very necessary.

Senator T.A. Le Sueur:

I have spoken already, Deputy.

Deputy T.M. Pitman:

Sometimes he tries to speak again, no doubt. I am really sorry if I am slowing down but I am really tired. I am really at a loss for what else to say. So I am either going to fall over [Laughter] ... I was hoping J.E.C. were going to plunge me into darkness again but where are they when you need them? So, at 5.28. p.m. I will sit down and take 1½ minutes to do it and thank you.

Deputy R.H. Le Hérisier:

Can I move the adjournment?

The Greffier of the States (in the Chair):

Yes, we need to address the issue of when the Assembly will continue the consideration of the Strategic Plan. It has already been agreed the Assembly will meet on Tuesday. Chairman of the Privileges and Procedures Committee, how many days do you think the Members should set aside next week?

The Connétable of St. Mary:

The proverbial piece of string comes to mind. The Members obviously have valid points they wish to raise in debate. I know the Chief Minister did suggest perhaps curtailing most speeches to about 5 minutes, but it has not proved possible so far and may well not prove possible again. I would say looking at what is left we definitely would need 2 days and it possibly could go into a 3rd.

The Greffier of the States (in the Chair):

Do the Members agree to reconvene on Tuesday and to sit for the number of days it requires next week to conclude the business?

The Connétable of St. Helier:

Can I raise a matter relating to the amendments I have in the plan? They have all been accepted by the Chief Minister. I understand under Standing Orders they cannot be proposed in my absence, unless I am absent from the Chamber on States business. I am due to be at a conference on waste management on Tuesday next week which has obviously been booked for some time and paid for, and I wondered if it was possible to ask the States to raise Standing Orders, to the extent that I will not be on States business I will be on Parish business, and then if that was possible I could then ask the Chief Minister if he would be prepared to move my amendments in my stead if I am not able to be back in time. I will be back on Wednesday at lunchtime.

The Greffier of the States (in the Chair):

The other alternative, Constable, is for the Assembly to agree that your parish business is sufficient that you should be excused attendance because another Member can propose amendments in the absence of the Member who is excused attendance.

The Connétable of St. Helier:

That is what I was seeking to do.

The Greffier of the States (in the Chair):

Yes, I think that matter will have to be addressed next week and if you are not back in time the Assembly can consider that at that stage. As you say, the amendments are accepted by the Council. Deputy Le Claire, do you wish to comment on the arrangements?

Deputy P.V.F. Le Claire:

The arrangement of business for future meetings, did you want to discuss that at this point, sir?

The Greffier of the States (in the Chair):

No, at the end of the meeting I think. So do Members agree to reconvene on Tuesday and to sit if necessary on Wednesday and on Thursday?

Deputy A.K.F. Green:

Could we limit it to Tuesday and Wednesday? We really have some everyday work that needs to be done, so Tuesday and Wednesday ...

The Greffier of the States (in the Chair):

The only thing I would say through the Chair, Deputy, is we may get to the end of Wednesday and not be finished and where does that leave the Assembly if Members ...

Deputy A.K.F. Green:

We will have to come back the next week.

The Deputy of St. John:

There is an issue to do with the citizenship within schools. As it is, by sitting next Tuesday, Haute Vallee School are going to lose out, the Members who attend there. By sitting Wednesday, yet again there is another issue there, and it has taken an awful long time to get the citizenship programme in place. Therefore, we will be losing Members on Wednesday ... **[Interruption]** Sorry, another school, which I think is Le Quennevais, will be losing the Members who are supposed to attend there. It is of concern. I think the last couple of years this programme was put in place, and I have been away but I know the officer with responsibility for it has raised the concerns and asked if we would raise them on the floor of this House.

The Greffier of the States (in the Chair):

There is another matter Deputy Le Hérissier alluded to for a matter on Thursday. I understand, Deputy, you alluded to ...

Deputy R.G. Le Hérissier:

Yes, a lot of Members will be at scrutiny training if possible on Thursday. Hopefully that will be an incentive to finish at the very latest on Wednesday.

The Deputy of St. Mary:

I accept Deputy Rondel's point about the work that we do in schools. It is very important and it does take a long time to set up. They are 9.00 a.m. until 11.00 a.m., I believe, those sessions, so I just wonder whether possibly a later start to allow those very important sessions for our young people is possible.

The Greffier of the States (in the Chair):

Anything is possible, Deputy. Obviously, there is a conflict between the interests of the Assembly and other conflicting priorities. Deputy Le Claire.

Deputy P.V.F. Le Claire:

I believe we have the Planning Applications Panel as well. I think the Chairman is going to speak to us about that. I was going to ask the Chairman if she had given any consideration at all to starting on Monday because obviously ... no, okay.

Deputy M. Tadier:

Could I seek direction from the Chair as well? If a Member of the States on Tuesday or Wednesday, if someone who is involved with scrutiny decided that they wanted to go to Hautlieu or Les Quennevais or wherever it is they are due to go to, would that be considered as States work given that ... no?

The Greffier of the States (in the Chair):

I think unfortunately not, Deputy. There is obviously a ...

Deputy M. Tadier:

But Parish work can be considered States work but for the Constables?

The Bailiff:

The difficulty is once the Assembly is meeting Members will want to be in the Assembly. I fully understand what the Deputy of St. John is saying. It is very unfortunate but I understand a number of Members need to go to the citizenship... It does involve 6 or 7 Members and I am sure Members would not wish to miss the Strategic Plan debate. **[Laughter]** **[Approbation]** Deputy Green, you are free to pursue. Mr. Attorney, do you wish to ...?

The Attorney General:

I wish to address the Members on one other matter when this part of the debate is ...

The Greffier of the States (in the Chair):

Deputy Green, do you wish to formally make the proposition that the Assembly does not go beyond Wednesday because that could be possible and the business would have to be held over?

Deputy A.K.F. Green:

Yes, I do.

The Greffier of the States (in the Chair):

Very well. Is the proposition of Deputy Green seconded? **[Seconded]** The proposition is, therefore, the Assembly only sits on Tuesday and Wednesday next week and assesses the position after that if it is not finished. Those in favour kindly show? The appel is called for. So the proposition is the Assembly only sits for Tuesday and Wednesday next week and not on Thursday and beyond. The Greffier will open the voting.

POUR: 29		CONTRE: 11		ABSTAIN: 0
Senator P.F. Routier		Senator T.A. Le Sueur		
Senator B.E. Shenton		Connétable of St. Brelade		
Senator A. Breckon		Connétable of St. Mary		
Senator S.C. Ferguson		Deputy J.B. Fox (H)		
Senator A.J.D. Maclean		Deputy J.A. Martin (H)		
Senator B.I. Le Marquand		Deputy of St. Ouen		
Connétable of St. Helier		Deputy J.A.N. Le Fondré (L)		
Connétable of St. Martin		Deputy of Trinity		
Connétable of St. Saviour		Deputy K.C. Lewis (S)		
Connétable of St. Peter		Deputy of St. John		
Connétable of St. Lawrence		Deputy E.J. Noel (L)		
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisssier (S)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy S.S.P.A. Power (B)				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

The Greffier of the States (in the Chair):

So, the Assembly will not sit on Thursday next week and if necessary the business will be held over to the week of Tuesday, the 16th.

Deputy M. Tadier:

I must rise to my feet again. The reason that we have agreed not to meet on Thursday is presumably because there is scrutiny training to do with question posing, I believe. That obviously begs the question also, because Tuesday and Wednesday with the Education Citizens programme in school is also to do with scrutiny, whether a Member who decided to attend that rather than the States debate for 2 hours, whether they should be ...

The Greffier of the States (in the Chair):

I think your question is somewhat hypothetical, Deputy, because I cannot imagine that 7 Members of the Assembly would wish to miss the Strategic Plan debate, despite their enthusiasm and disappointment at the Education Citizens programme. I do not think the issue arises.

Deputy M. Tadier:

My concern is if one did would one be likely to be voted a défaut excuse?

The Greffier of the States (in the Chair):

That would be a matter for the Members on the day, Deputy, but I cannot ...

Deputy M. Tadier:

Okay, I think I have taken ...

The Connétable of Trinity:

Can I just say I am not 100 per cent sure of this, but the email that I last had from the Scrutiny Manager concerning it said that the Tuesday session was very likely to be cancelled anyway.

The Deputy of St. John:

I can confirm that the Tuesday meeting was cancelled. It was the Wednesday she was concerned about.

The Greffier of the States (in the Chair):

These things are unfortunate but these debates are clearly important. There are 2 matters just that I would like to mention before I ask the Attorney General to mention the matter he wishes to mention. First of all, lodging. Today, the draft Court of Appeal (Amendment No. 8) (Jersey) Law (Appointed Day) Act, lodged by the Chief Minister, P.99. Just to ask Members, the Chamber will be used on Monday for the primary school programme so if Members could either take with them their papers or put them in their drawer, please. Do not leave papers on the desks because the Chamber will be in use on Monday. Mr. Attorney, you wish to ...?

The Attorney General:

Thank you, I am grateful for Members' time. Unfortunately, due to some administrative incompetence on my own part, there are some Members who have not had confirmed to them that the human rights seminar tomorrow is taking place - it really is taking place - at 9.00 a.m. Registration is 8.45 a.m. to 9.00 a.m., 9.15 a.m. for a start, tomorrow at the Members' Room at the Société. Those Members who have indicated that they would like to come in principle I very much hope to see there. Thank you.

The Greffier of the States (in the Chair):

Very well, the Assembly stands adjourned until 9.30 a.m. on Tuesday.

Deputy P.V.F. Le Claire:

I am sorry, but I just wanted to be helpful to Members inasmuch as there are 2 propositions that you did say for arrangement of business that we were going to ...

The Greffier of the States (in the Chair):

We normally do that at the end of the meeting, but you wish to notify ...

Deputy P.V.F. Le Claire:

Shall I leave it until next week then?

The Greffier of the States (in the Chair):

Yes.

The Greffier of the States (in the Chair):

This Assembly stands adjourned until Tuesday.

ADJOURNMENT