

# STATES OF JERSEY

## OFFICIAL REPORT

**THURSDAY, 22nd JUNE 2006**

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**The Roll was called and the Dean led the Assembly in Prayer.**

**PUBLIC BUSINESS (continued)**

**1 Strategic Plan 2006-2011 (P.40/2006)**

**1.1 The Greffier of the States (in the Chair):**

The debate resumes on the Strategic Plan and the amendments and in accordance with the decision yesterday, the Assembly will take firstly the 11th amendments in the name of the Corporate Services Panel, which is number 20 on the coloured running order of amendments. The amendment is quite lengthy, Chairman, you are content that it be taken as read?

**Deputy P.J.D. Ryan of St. Helier:**

I am.

**The Greffier of the States (in the Chair):**

I will, therefore, invite you to propose the amendment.

**1.1.1 Deputy P.J.D. Ryan:**

The first thing I would like to do is to congratulate the Council of Ministers and their team of officers on an absolutely splendid job of producing the Strategic Plan in what can only be described as extremely challenging circumstances. To have produced it at the same time as a complete change of the machinery of government, and the first draft in less than 2 months for such a comprehensive piece of work, must have been challenging, to say the least. I know that for all the arguments over its contents, the fact that it was produced to at least give us a platform and basis upon which to argue must be applauded and I do so. Well, you are all

waiting for the “but” and the “but” is; could it be better? So to our amendments. The amendment in front of Members is in 3 parts, rather like a sandwich with the meat in the middle. The top layer of the amendment, 1.2.2 is quite simple and is a clarification of a statement made in the Strategic Plan regarding budget surpluses. It simply clarifies that the early GST (Goods and Services Tax) receipts in 2008 and 2009 should not be paid into a Stabilisation Fund because they have nothing to do with surpluses as a result of growth. I do not intend to spend any more time on that. Before concentrating on the meat of the amendment, in the centre section, a few words on the new tables provided late yesterday and 2 things, I think spring to my mind anyway, from those new tables and the new financial forecast. The first is that the Council of Ministers, I think, is now proposing to move some capital spending from 2011 considerably forward to 2007. That may be right and I look to the Council of Ministers to confirm that during speeches and to tell us why they feel that is appropriate. It does mean that the spending growth in 2007 has risen to 5.2 per cent. The next thing is that we seem to be £30 million better off over the next few years than we thought we were. What does this illustrate? I think it illustrates that we are still unsure how big the black hole is going to be eventually. Unforeseen chunks of money, such as £30 million, can go both ways. They can go both ways. There it is, £30 million on the front page of the *Evening Post*. Nice timing, Chief Minister, nice timing. Now let us turn to the amendment itself. On page 2 of our report, I would like Members to look at the centre section of 1.2.3. That is page 2 of our report, details of the amendment itself. It might be useful if Members just had a pencil ready to make a couple of notes in the margin. It is split into 3 sections. Against 1.2.3, place in the margin, £32 million. Against the second section place, £15 million. Against the third section place, £27 million. When you add the numbers together, they come to a total of £74 million and, in fact, this is the total amount of funds affected by our amendment over the period 2006 to 2011, or 6 years. Let me explain what the 3 are. The first one I think is self-explanatory. It has already been discussed at some length when the Deputy of St. Ouen had his amendment just recently. It involves the Dwelling Houses Loans Fund and what we think should happen to it. The second 2, number 2 and number 3, I think, might just require a little bit of explanation. The first one, the smaller amount, is to do with the capital receipts element of the £20 million efficiency savings that we have all had such a lot of information about. We have separated out from 2 and 3, the capital receipts element of the remaining £10 million, approximately, of unallocated efficiency savings out of the £20 million. The other £10 million having already been reallocated and agreed by the States in last year’s Business Plan and Budget debates, so we are left with the remaining £10 million and 2 and 3 deal with that other £10 million; £4 million a year, approximately, of it being capital receipts and the remaining £6-odd million of the £10 million being in item 3, the true efficiency revenue savings part of that £10 million. I said to add them up to £74 million but to obtain a comparison with the 2006 budget it is necessary to remove from that figure the effect of the 2011 year numbers as this was not included in the 2006 budget. The 2006 budget went from 2006, as you would expect, to 2010. Of course, we are 6 months later on so another year has been added to the numbers. If we want to compare directly with the 2006 budget we have got to remove the numbers from 2011 to make a comparison. When this is done, and I hope Members will take my word for it that the arithmetic is right, the new total is £57 million over the same period, as illustrated in the 2006 budget. So, £57 million illustrates, I would say, exactly the amount of extra, extra spending, not just single extra spending, but extra, extra spending, over and above the extra spending already contained in the 2006 budget of December 2005, only 3 months before this Plan was formulated. Voting all 3 sub-paragraphs through Members would, therefore, take us back to the position agreed by the States at that time and a policy of overall spending increases, year-on-year until about 2011, roughly in line with, or even marginally above, the inflation target, of 2.5 per cent. Now, how many newly elected States

Members included this kind of spending constraint in their election promises, I wonder. Each of these amendments, if agreed, would have the effect of committing, at least initially, and I emphasise the word initially, the sums you have noted, hopefully in the margins, into the new Stabilisation Fund, rather than to allow them to be used for increases in spending. Yet even this money is not locked away, as has been described, because the bottom piece of bread in the sandwich, that is paragraph 1.2.4, makes it clear that the States would, very shortly, be having a debate on how these funds would be used in the future and secondly, crucially, how big the Stabilisation Fund should be. Maybe the States will decide within a year, and long before it reaches the £74 million, that a smaller amount would be sufficient, thus releasing funds from future years for other purposes for whatever the States decide. The way that the amendment is designed, however, and the fact that separate votes on each element will be taken at the end, means that Members can choose through their voting on each subparagraph in the middle section, just how far they wish to go in earmarking funds to initially go into the Stabilisation Fund, rather than to be available to the Council of Ministers for extra spending. Also, the whole point of a Stabilisation Fund is that the money will be spent in the future but, crucially, at the right time in the economic cycle so as to stimulate the economy. Not in times of growth and already high inflationary pressure, such as now, when heaven knows we do not need extra stimulation and even more inflationary pressure, but rather in times of recession and times of increasing unemployment. Make no mistake, harder times will come again, sure as night follows day. Once it is spent, how does a Stabilisation Fund get replenished? Well, by putting funds into it at times of economic growth, perhaps as now, and as referred to in the Strategic Plan and in the Economic Growth Plan. I will not go into the technical details of the effect that increasing public spending above inflation has on inflation itself, particularly in a small jurisdiction such as ours. Section 6 in our report, together with its appendices and tables provides a wealth of evidence to illustrate that keeping a lid on spending growth over the last 3 years has greatly assisted in the fight to contain local inflation and help Jersey to become even more internationally competitive, something that has been needed for a long time. An essential plank of our financial plans for the future, though, is the achievement of 2 per cent real growth, that is above inflation growth, in order to get more tax income. If inflation goes up, this will become much more difficult to achieve in a sustainable manner and will inevitably result in the need to allow even more inward migration than perhaps is necessary to achieve the same growth. I have not even begun to talk about the inflationary effects that we are going to have to endure anyway as a result of new GST from 2008 onwards. Meanwhile, and since the Strategic Plan was lodged, let us take a quick look at what has been happening in the rest of the world. I would like to be able to claim ownership of a crystal ball. I am even tempted to say: "I told you so." To hell with reticence, I will say: "I told you so" because, in truth, the signs were all there to indicate that at some time very soon most governments around the world would pretty soon need to be raising interest rates to stop their economies overheating. Sure enough, they are all raising interest rates and taking money out of their economies to reduce inflationary pressure. The enormous balance of payments deficit in the US is a major worry and that may yet destabilise the world economy. If it does, we will need a stabilisation fund much sooner than we realised. Energy prices are going through the roof, Senator Shenton, and share prices have fallen sharply globally, and what are we proposing to do? The same as what we have always done in the past when times are good and confidence is high; spend more. The opposite to what most other enlightened and monetarily astute governments in the world are now doing. Sir, I do not intend to go on any further, I think there are lots of people that want to speak. I am going to close my opening speech at this point and propose the amendment.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? [**Seconded**]

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

This amendment has been heralded in some quarters as the great debate on the Strategic Plan. I think, in truth, it is no longer quite so great debate as what might have been thought. That is because the proposer, unless I am mistaken, has agreed that we can vote on the amendment in parts. He is nodding there to confirm that is the intention. On that basis, rather like the curors egg, there are parts of this amendment which the Council of Ministers can quite happily support so I do not think that we need spend too much time on the first amendment or the last amendment, both of which I am happy to endorse. As the Deputy rightly says, the meat is in the second amendment, which is in 3 parts. I will, perhaps, preface my remarks by just talking about the updated figures that I produced yesterday. It is not that they were pulled out of a hat; in fact they arose from the 2005 accounts which were published some weeks ago. They had the effect of increasing the base point from which our future forecasts have been calculated. As a result of that, I am also pleased to confirm that since we are taking this vote in separate parts, the Council of Ministers could also accept part one of the second amendment and that really leaves the other 2 parts for serious debate. I think there is a danger here that we look at this amendment with 3 parts and treat it rather like an option paper. If we do not like the whole lot, take a bit of it and if you do not like that bit, take another bit. If you will forgive me, I recall at budget time a couple of years ago, a group of Deputies had 3 different amendments to vary the tax rate by varying proportions, starting with rather a large amendment which did not have a great deal of hope and coming down until we got one that we might be seduced by. I think this is perhaps the danger in this amendment here. I urge Members not to fall for that trick. Although we can accept part one, the Council of Ministers cannot accept parts 2 and 3. Either individually, or collectively, they strike at the heart of the Strategic Plan. They are wrong because they could take us away from our confident upward direction into a depressing downward direction because in round terms, as the Deputy has said, these latter 2 amendments effectively ask that the benefits of the efficiency savings that we are going to make in the future should be squirreled away, rather than spent; rather than reinvested. The effect of not doing that as far as capital is concerned, would be to strike at the heart of the capital programme, and could result in a failure to deliver some essential new services. Not reinvesting the revenue efficiencies would strike at the revenue budgets, the service we could provide and certainly kill off any chance in investing for growth. As the Deputy himself said, we need to invest for growth if we are going to solve part of our fiscal strategy. Both those amendments then, fundamentally, are negative and I urge Members to reject them. I am not going to go into the figures that we have got before us today; I think there are sufficient figures there to confuse anybody. What I will say, is that this is a debate about strategy, about the direction we are going. It is a simple choice. Do we want a strategy of reinvesting our efficiencies in order to generate better services, better facilities for our electors, economic growth, an exiting viable future, or do we want to hide them away under a stone because we might need them one day in the future? I think my intention, the direction proposed in the Strategic Plan, is that we have confidence in the future, we have confidence in today, we have confidence that today we should invest for the future. On that basis, I have to urge Members to reject parts 2 and 3 of this amendment. As far as the last one is concerned, again as I say, I am prepared to accept that. I would prefer to start from a clean sheet of paper as far as an anti-inflation strategy is concerned. The Council of Ministers has indicated that we will be bringing forward an updated inflation strategy. This might be held to constrain us, I have no intention of being too constrained and I am sure that it was not the intention of Deputy that we should be constrained, and on that basis I am happy to accept that part of his

amendment. So really, Sir, that boils it down to we can accept 3 parts of it but we have to vehemently oppose the remaining 2, and I urge Members to do the same thing.

### **1.1.3 Deputy S. Power of St. Brelade:**

Very briefly. Members will be aware of the miracle of the 5 loaves and 2 fishes by Lake Galilee 2000 years ago, and when I see a reference to £30 million that has suddenly been found in States' resources in the last 24 hours, I am reminded of the quotation of President Ronald Reagan 25 years ago when he said that politics is the second oldest profession in the world and sometimes it bears a close relationship with the oldest. Thank you. **[Laughter]**

### **1.1.4 Deputy P.V.F. Le Claire of St. Helier:**

Only just to say that I would like to support the theory behind the Corporate Services Panel in relation to making sure that we are preserving some money for the future. But on the words of Senator Le Sueur, I do believe, personally, that the confidence of the Island is only newly found and to take this amount of money away from the heart of what we are providing will send a wobbly signal to the people in Jersey, those that understand finance and those that do not. I think that in agreeing to parts one and 3, it is a bit of a no brainer but the steering we have got this morning from Senator Le Sueur gives us an indication that we have a halfway House and we have a confident House, so I would ask Members, like me, to support the parts that Senator Le Sueur has indicated and to send signals to the Corporate Services Panel that their work is not being put to one side and ignored, it is obviously being taken on board. A lot of members of the public have urged me, quite vehemently, to support them but, unfortunately, I believe in doing so it would take away from the heart of the services we are providing.

### **1.1.5 Deputy C.J. Scott Warren of St. Saviour:**

I would like some clarification regarding the Dwelling Houses Loan Fund and we heard from the Minister of Housing yesterday how important this Fund is obviously for the repair of the Social Housing in the Island. How, suddenly, can this now be put away in this Fund? Can I have that clarified, please? My speech yesterday really covers my views on the other 2 parts of this, that I feel that despite my concern that we have to be very prudent in future with our finances, I feel that we do need to spend money on the serious social and infrastructure problems we face.

### **1.1.6 Senator T.J. Le Main:**

May I respond to that? The Council of Ministers have promised the Housing Department £7 million a year for the next 5 years and up until only a week or so ago it was agreed that the money would come out of the Housing Dwelling Fund Loan. I have now had a firm commitment that the money will be found by the Chief Minister and by the Treasury Minister, so I am more than happy now to go with it and I am sure that other Members of the Assembly that have been concerned for a long time about the lack of investment in housing our people in Jersey, particularly at this present time with cold winters and the heating and insulation, so I am more than happy that the assurances have been given. If the Housing Dwelling Fund Loan is to be put away, as I understand from Senator Ozouf now, £40 million of it currently is

in an interest bearing account at the moment, separate, as part of that Fund, I am more than happy with that.

#### **1.1.7 Deputy P.J.D. Ryan:**

May I just ask who was being asked to clarify? Is it the Minister for Treasury and Resources or is it me as the proposer of the amendment?

#### **The Greffier of the States (in the Chair):**

I think the Minister for Housing has clarified the position. If any other Members of the Council wish to clarify it. I do not think it is being asked of you, Deputy.

#### **1.1.8 Deputy R.G. Le Hérisier of St. Saviour:**

We are all prepared here, rearing to go for the greatest debate of the century and clearly Senator Le Sueur has taken the skids, so to speak, from under us. He has done a wonderful job there. That is 2 miracles this morning; 3! So, things are really moving along. We have not had walking on water yet. The only point I would like to make and I intended to make it in Deputy Reed's, and I would like to congratulate him by the way for a very forceful presentation, which certainly kept us awake, if nothing else. What I would like to say, where Deputy Reed is concerned and Deputy Ryan's group is concerned, and again they have done excellent work and I must congratulate them on that even though it has not proved necessarily to be the debate of the century. What the concern is amongst the public is, for good or for bad, they do not really trust us. They really do not trust that we can handle reform of the public service, for example. There is this ongoing cynicism, there is this ongoing debate and every time, for example, they open the *JEP* and they see a few more positions added to the Chief Minister's office or to the senior echelons of the Health Department or whatever, they say: "Is this not terrible, look, bureaucracy is growing and growing and growing." Then explanations are given, all sorts of righteous indignation is expressed: "But look what we are doing, people are truly suffering, look at the pain that is being caused in the civil service and so forth." To an extent these things are right. I think there just needs to be an even more sustained campaign, I am afraid. Not a blood and thunder one, but a campaign that does bring across the message that we have got a grip on the way the public service is growing, that our priorities are right there, that, as Senator Walker has told us time after time the emphasis is on the front line services rather than on the growth of bureaucracy, and that as a joined up system we are able to see where waste can be controlled as opposed to just running off, doing well-managed but utterly futile projects. That is the word that comes across. When I hear the Housing Minister, whose sincerity is beyond doubt I would add, when I hear him say: "Look, I have got the money" he has to remember that it was he who gave up that money for years under the initial cut and slash programmes which, in a panic mode, we introduced. So, while we see this sort of great: "Look, you know, things are really turning around", I think in all modesty he has to say: "Well, maybe I contributed to the very problem which I am now on my white charger arriving to resolve, with the help of the Chief Minister." I have got no problem as long proper planning structures are put in place, as long as people do look much more honestly at the civil service, but where I think these, and Deputy Reed, I think, made the same mistake, I think trying to put an iron corset, so to speak, around a system and trying to make it squeak and scream, you often end up with these kinds of very iron corset type cut backs. You end up in cutting back the wrong areas, you end up in running off after the wrong targets and I think the emphasis ends up being very much the wrong emphasis. So I will be, in a very conditional

way, reassured by the Minister of the Treasury, who as the Deputy for St. Brelade has said, has pulled the rabbit out of the hat or whatever, I will be conditionally reassured, but I think the message has to get across to the Council. While I do not want people counting paper clips and so forth, even though that is a very useful occupation for some of us, I think the message has to get across that the public still do not believe we have got a grip on these problems. They still do not believe it; that there is still a smoke and mirrors campaign. I know people are trying but I think they have to try harder; they have to make sure they are hitting the right targets. But the emphasis of these last 2 debates, I am afraid, is in the wrong area. You do not put a big iron corset around a system and hope that somehow it will squeeze it and squeeze it and squeeze it.

#### **1.1.9 Deputy J.B. Fox of St. Helier:**

The last speaker is quite correct, the public are extremely cynical, but their cynicism is in different perspectives depending on who you are speaking to and how it affects either the individual or a group of people et cetera. That is the point that we have to bear in mind; we are never going to be able to please all the people all the time. Yes, we have to be prudent with our money, we have got to recognise that in the foreseeable future there are going to be greater financial burdens placed on residents and individuals and groups, et cetera, that we have not had to experience before. The heydays have gone. But, on the other hand, there is a greater demand and if there is some money, whether it is capital or revenue that is available, it is important that we do some of the things that are still needed in the Island. You had the demonstration yesterday, or the plea yesterday, from young mothers in relation to Early Years. Last month I was standing here answering questions for my Minister on top up fees and the potential costs that are going to be coming our way from exterior sources with the increased charges for Universities, the increased demands for further education, increased demands for health, the increased demands for solving some of the utility problems which have been discussed in recent times not least that affect Bellozanne and La Collette, et cetera. All these things require to be dealt with, and all these things require that we have to make a judgment and that is what this House is here for; is to make a judgment. No, we must not waste money, but on the other hand I agree that this Stabilisation Fund will take out the peaks and troughs and I think that is very important because there is nothing worse in a small island community than having uncertainty. Uncertainty goes in a number of different directions. Obviously in the international part, the big finance part, the uncertainty can reduce the income to the Island which affects all of us and our jobs and everything else. But uncertainty also can affect the people and its workforce. The uncertainty of a stable permanent job as opposed to short-term contract and insecurity whether you are going to be able to pay your mortgage or whatever. The uncertainty whether the various plans that are brought in through Health, Social Security, et cetera are actually going to be providing the right support for the community as opposed to just giving out money that those that can afford it are still getting the same and we have gone past the days, I am afraid, when we can have the privilege of doing that. But we must not, and I think this is my final thing to say, be that prudent that we are saving now for the benefit tomorrow when there are genuine reasons why we should be investing now which might save us a lot of grief in tomorrow.

#### **1.1.10 Connétable D.J. Murphy of Grouville:**

I must say that Senator Le Sueur has really made, to me, very large progress in not going ahead with taking out the Dwelling House Loan Fund monies for use in revenue and also, of course, the capital property sales, which I was very worried about indeed. These things are to

me, and I think to a lot of people, they are the family silver. Those are the bits we have stuck away in the cupboard, they are useful, they are helpful and they are always there for the future. I am delighted he has found this money, the £30 million, which I would liken, if we are going into Biblical quotes, the Old Testament, to Moses tapping the rock in the Sinai Desert whereupon there came the water. What I would do is say that for the future, after watching very carefully if they are going to try and sell off any other family silver, which, to me would include utility companies and various investments which produce an income for the States at the moment. These are extremely important to us; we are in growth markets, I think, in most of these utilities and it would be a very, very bad mistake indeed to sell those and perhaps just put the money on deposit.

#### **1.1.11 Senator J.L. Perchard:**

Firstly, could I comment on the Minister for Treasury and Resources olive branch that he has offered this morning and thank the Council of Ministers for withdrawing the proposal to invest the Dwelling House Loan Fund into implementation of the Strategic Plan. But I would like to persuade Members that perhaps they ought to consider parts II and III of 1.2.3 more carefully and not perhaps take the Minister's word on it that he will go no further. Because I would like to broaden the argument, if I may, and as I look to Members and particularly the Council of Ministers, I want to remind them of what I call the 3 shovels proposal. The 3 shovels proposal was the method debated and agreed by the previous Assembly in the Fiscal Strategy P.44/2005, in which to fill the 0/10 black hole. The first shovel was to be that of economic growth. This shovel is in the hands of Senator Ozouf, one of our recognised and more prolific shovellers. **[Laughter]** His Department, as we know, has been challenged to stimulate economic growth at a net rate of at least 2 per cent per annum which, it is anticipated and hoped, will provide an extra £20 million in revenue. The second shovel is that of tax reform, the brand new big taxation shovel will be wielded by the broad shoulders of my good friend, Senator Le Sueur. He has got the biggest shovel and it was proposed in the Fiscal Strategy that he make the primary contribution to the 0/10 black hole deficit; approximately £55 million of new tax yield targeted at individual tax payers through GST and '20 means 20'. The third shovel was to be the tool of reduced public expenditure with a welcome £20 million contribution to the black hole. However, it now appears that this shovel has been cast aside by the Council of Ministers. They are not even leaning on it. We no longer can expect the efficiency savings to contribute to the black hole deficit as it is now proposed that the £20 million efficiency savings should fund additional spending. I think the Assembly deserves, from the Chief Minister particularly, a full explanation as to how this is happening. We need to know why the Council of Ministers has dropped plans to part fill the 0/10 black hole with £20 million of efficiency savings. How is now the black hole to be filled? Not only was the Council of Ministers planning to spend the efficiency savings; it was, until just moments ago, planning to raid and spend the Dwelling House Loan Funds; a fund with total assets, at the end, of £52 million. Over the lifetime of the plan, £32 million was being proposed to be spent in revenue and capital. Miraculously, however, that has now been withdrawn; a great deal of opportunity for scope. What worries me is where will the funds come from to fill the 0/10 black hole? I can only see that it will be through the new methods of taxation, GST and '20 means 20' which is increased taxation. The proposals hot off yesterday's press confirms inflation busting increases in public spending. Inflation busting: 5.2 per cent per cent in 2007 and 3.2 per cent in 2008. It is a worry. In the last 2 years the States has been disciplined in controlling growth in public spending, limiting it to 2.6 per cent and 2.4 per cent which, to give credit, was below the level of inflation. The Business Plan 2006 to 2010, this one, which was approved in the States in the budget debate last autumn, outlined the spending framework

for the next 5 years. It limited increases in total States expenditure to a target of 2.5 per cent growth per annum. This is confirmed in the addendum to the Budget Report in section 2.2. In section 2.5 of the same report, again approved by the States, the former Finance and Economics Committee clearly links the success in controlling inflation with constraints in States' spending, and I quote from the then President of F and E (Finance and Economics), Senator Le Sueur: "In this report the Committee is not able to control interest rates, however, it will continue to endeavour to reduce inflationary pressures by constraining the growth in States' spending to a level below the forecast of inflation. The expenditure framework" he goes on: "within the Fiscal Strategy approved in the States' Business Plan is intended to bear down on inflation." I repeat my question; what are the different circumstances now that motivate the Minister to disregard his own advice? At the same time as the Island is embarking on root and branch reform of our system of taxation, world markets are becoming twitchy about oil prices, the increased threat of global inflation and interest rate rises. Given this uncertain fiscal environment, as Jersey embarks on root and branch tax reform, is it wise to increase public spending to these record levels? Because if we are to achieve balanced budgets, which is an aim within the Strategic Plan, we can only assume that the Council are content to let Senator Le Sueur do more and more shovelling with his new taxes. As competitive pressure continues to bear down on local business from other jurisdictions and world markets our Minister of Finance and Resources will probably wear his shovel out with his policy of new taxes and a policy which he admitted in the 2006 Budget Report will fuel inflation, which in turn will cause our business sector to become increasingly uncompetitive. I ask Members if they could find the Corporate Services Panel amendment to turn to page 11 of it where they will find the financial forecast 2006 to 2010 approved after the 2006 budget debate last September by all the personnel who now make up the Council of Ministers, except for my good friend, Senator Cohen, who I will temporarily excuse as he was not a Member of the States at the time. This proposal on page 11 was approved by 9 out of the 10 Members of the Council of Ministers just months ago. I would like to draw Members' attention to the total States' net expenditure line for the period 2006 to 2010; then invite them to turn to page 12, the next page, where they will see the Council of Ministers spending proposals (this was yesterday's new information, but I will go on to talk of that) the Council of Ministers' proposal as per the Strategic Plan and compare the total net expenditure forecast line. We are looking at the line which does not include the parish transfer. To achieve an accurate comparison of the figures I ask Members to discount 2011 on page 12 as they are not present on page 11. Once done, as my Committee Chairman has said, the difference is £57 million. The Council of Ministers are proposing to spend an extra £57 million over the period 2006 to 2010 over and above what was agreed in this House last September. However, it is interesting to note that the updated financial forecast that arrived on our desks the morning of this debate was presented using a different layout to that of that in the draft Strategic Plan, and as a result was difficult to compare with the forecast on page 12 that I have just asked you to look at. If I did not know better I might be suspicious that there may have been an attempt by the Minister to confuse Members. However, on close examination I believe this new information that arrived like a googly delivered by Shane Warne confirms a similar level of increased spending to that proposed in the draft Strategic Plan. It is very similar. But the new financial forecast differs from the forecast in the Plan by being much more bullish with regards to States' income which is very good news. Which is great news for everyone except the taxpayer. Not only do the Council of Ministers have Shane Warne bowling at one end, I see that Muttiah Muralitharan is now bowling at the other in the form of the Communications Unit whose timely briefing of the press on the matter of States' finances can surely be no coincidence. Members will probably have read the front page of yesterday's *JEP* headline which said: "Better off by £30 million" as quoted by my Chairman and 'the States' finances

given a boost by duty receipts'. I cannot help thinking of the words "donkeys and carrots." Having got that off my chest, if Members support the Corporate Services Panel's amendments they will be endorsing the spending proposals as laid out on page 11 of the amendment and, as I have said previously, the very same proposals that were agreed in this place just months ago. I hope my good friend, the Chief Minister, will fully explain the reasons for the u-turn of 9 out of the 10 Members of his Council when and if he speaks. How could he justify this extra £57 million over 5-year period 2006 to 2010? What is it that has prompted most Members that make up the Council of Ministers to change their opinion with regards to spending? It is true that many Members who make up the Council of Ministers have changed their tune on maintaining a tight control of public spending. I was rummaging through some old papers the other day when I came across some old election memorabilia and manifestos and, if you will permit me, I would like to quote from some of them. The first one: "I am a team player", this is Senator Terry Le Main who stood for election just 6/7 months ago: "I am a team player who recognised a need to contain spending." Another politician who stood for election just months ago, Senator Cohen says: "The States have made some savings and a target of £20 million has been set for 2008 but this should be increased to at least £30 million." I have got one of the Minister for Treasury and Resources, his last election, again just months ago: "Keeping States' spending under control." My good friend, Senator Routier who is 3 years into his term says in his election manifesto: "The major challenge that faces the States is controlling expenditure, not just because we need to keep the Island's demands for services with what can be afforded, but also because we have an overriding responsibility to ensure that value for money is being achieved." This chap, Senator Ozouf, wrote, first line in his election manifesto: "The next 6 years are going to be some of the most testing times for Jersey with the need to reduce expenditure yet maintain core, essential services." 3 years ago. I cannot resist it, the Chief Minister in his election manifesto says in big bold type on the front: "Not afraid to forfeit popularity to balance the books." He goes on inside the document, and I will quote just one paragraph: "Since taking on the presidency of F and E (Finance and Economics) Committee, I have committed myself and my committee to controlling States' expenditure and stopping overspends." Having got that off my chest, if Members support the Corporate Services Panel amendment they will be endorsing the proposals laid out on page 11 of the amendment. I think I might wrap up, but as I said previously, the very same proposals that were agreed by this Council just months ago. Those policy manifestos, or these manifestos aside, the Council of Ministers' vision for the Jersey's future outlined in the draft Strategic Plan is praiseworthy and would be desirable in an ideal world. But is it sustainable? Is it really affordable in the longer term? With luck it may be, but what will be the price? Inflation? Well, yes. Population growth? Yes. A bigger public sector workforce? Yes. Greater costs? Well, definitely by definition. Increased taxation? Yes. Increased demand for services and improved infrastructure? Well, yes. A requirement for housing that will probably never be satisfied? Well, most probably. I believe if we do not break this cycle of spend and growth we will have a perpetual problem that will feed off itself. A problem created by the States where the economy is under pressure because of the burden of inflation, taxation and huge public sector costs. This proposed increase in spending is wrong and is, at best, being proposed too soon. I respectfully suggest that we wait until the full consequences of fiscal reform are evident before we consider this scale of spending, during which time the Council of Ministers should continue the good work they have started to drive in efficiencies from Government. No, not by hitting the soft targets as has been threatened by some; not the soft targets but by withdrawing from the provision of non-core services in the area where Government really has no business operating. By entering into partnerships with the private sector, enabling the States to slim down and become the authorising body and regulator rather than the provider, and where possible, promoting the user pays principle. For example, very

topical, areas like 3 to 5 year old education, why are the States squeezing out private nurseries? Education, Sport and Culture are now offering a free 9.00 a.m. to 3.00 p.m. 39 week a year educational service for 3 to 5 year olds. The private sector offers a user pays 9.00 a.m. to 5.30 p.m. 50 week a year service. Why are we not subsidising and regulating the private nurseries? They offer, after all, a comprehensive and more relevant service to young families whose parents both wish to return to fulltime work. Why is Big Brother squeezing out these nurseries? Another area in which the States should consider withdrawing is Fort Regent. I see an opportunity at the Fort for a public/private partnership with the financing and entrepreneurial drive being provided by the private sector. There are many, many opportunities if we choose to look. However, the Corporate Services Panel resisted identifying areas or proposals to specifically cut the Council of Ministers' new spending plans on the grounds that it did not have the information on which to base a judgment and that it was the Council of Ministers' responsibility to co-ordinate its own plans once the States had agreed the policy. We must resist this proposal to increase expenditure, part one, 2 and 3 of the meat in the sandwich as the Deputy described it. In fact, this House should send a clear message to the Council of Ministers that we wish them to continue with the last Finance and Economics Committee's own primary objective as stated in the 2006 Budget, and I quote: "One of the committee's main objectives in relation to States' finances for the period 2006 to 2010 is to restrict increases in total States' net expenditure to affordable levels within the existing framework of the Fiscal Strategy and the States' Business Plan." I believe the Council of Ministers have got it wrong and should instead be pressing for meaningful reductions in spending. The Corporate Services Panel amendment, of course, does not go that far but it just recommends to this House that we revert to the spending limit as agreed in this Chamber, as I say, in the Budget debates last year. The Council of Ministers should recognise the importance of remaining competitive. We should be under no illusion if our industries are not competitive they will disappear, leaving Jersey with little tax revenue, an older and aging population and a giant hungry public sector to feed. I ask the House to support 1.2.2, 1.2.3 in total and 1.2.4 of the amendment.

#### **1.1.12 Senator S. Syvret (Minister for Health and Social Services):**

I have listened to some off the wall ideologically driven speeches in my time in 15 years in the Assembly, but that one probably about takes the biscuit. **[Laughter]** So far removed was it from the facts or any meaningful comparative analysis between the circumstances that Jersey finds itself in and neighbouring jurisdictions that it was frankly laughable. But the Senator rightly talked about the need for the Island to keep competitive and so on and to combat inflation; but in a micro economy such as Jersey you cannot attribute the same inflationary drives to public sector expenditure that you might in a large nation state like the United Kingdom. If you are looking at issues that cause Jersey to be not so competitive in a particular international market now you need, for example, as has been recently commented on by a senior figure who specialises in these questions, for example, charges levied by Jersey's lawyers. Jersey legal profession, I understand, is now the second most expensive on the face of the earth. Now if you are looking for issues of competitiveness to keep the Island's economy growing, that is where you start. But I have to talk about the kind of expenditure we engage in, in Health and Social Services, because we are, of course, the major spending Department of the States and I think that is rightly so, that is what the public would expect. But to listen to Senator Perchard and perhaps a few others, you would think that Jersey was some kind of a tax and spend environment like the old Labour 1970s Dennis Healey: "Let us tax the rich until the pips squeak" kind of approach. But, of course, if you look at the figures actually produced by the Treasury itself which consider the Island's total tax take as a

percentage of GDP (Gross Domestic Product), the average of European Union countries is 40.6, the OECD (Organisation for Economic Co-operation and Development) average is 36.3, the UK is 35.8, Guernsey 26.8, the USA 26.4, Jersey pre the tax changes 21.8, and as a total tax take as a percentage of GDP that will go down, in fact, to 20.9. So, if anything, Jersey is on the very, very bottom of the scale of tax in communities in terms of tax taken as a percentage of its GDP and that is a fact, you can compare the figures yourself with other jurisdictions. So the idea somehow that there is too huge a tax burden in the Island is simply fictitious, does not withstand most scrutiny. We have to consider then what do we spend that money on and are we efficient with what we do with it? Well, I believe we are, certainly for Health and Social Services; one need only look at the volume of work delivered by the organisation. For example, in the last 5 years outpatient attendances have risen by 28 per cent, again for the last 5 years, inpatient or day cases have risen by 36 per cent, operation procedures have risen by 11 per cent, pharmacy prescriptions have increased by 31 per cent, MRI (Magnetic Resonance Imaging) examinations have risen by 44 per cent, there has been a 92 per cent increase in CT (Computed Tomography) scans, the number of surgical patients waiting greater than 12 months has reduced from 181 in 2001 to 7 in 2005, a 96 per cent reduction. The total number of patients on the waiting lists has fallen from 1,942 to 1,085 by 2005, a reduction of 44 per cent. But we can see, not only from these figures, but from the independent benchmarking exercise that was carried out, that the Health and Social Services Department is, in fact, a highly effective and efficient organisation that does spend public money wisely. Again, contrary to the now, frankly, tediously inaccurate assertions of Deputy Le Hérisier about managers, the acknowledged benchmark level for managers as a percentage of staff in the average NHS (National Health Service) Trust is 5 per cent, in Jersey the figure is 3 per cent. That is an even more remarkable achievement given that we are not only running an NHS Trust, but we are also providing Social Services and also providing functions of a central government department. So, the organisation is certainly efficient. We have had no capital overspends, we routinely score extremely well on the States' internal auditing and, of course, there was the recent survey, which Members will have seen, demonstrating a very, very high level of patient satisfaction with the Health and Social Services in Jersey. So, this is quite a remarkable achievement by the public sector in the Island, especially given the internationally extremely low tax take that exists in Jersey as a percentage of our GDP, extremely low. So, I think we are doing okay. But what would happen if the kind of cuts on public expenditure that the Corporate Affairs Scrutiny Panel are proposing were to go through? Well, we would have to abandon the blood product standards that we are having to introduce in the Island to combat things like new variant CJD (Creutzfeldt Jakob Disease), we would have to start buying off Island, I expect. We would have to focus on core activity of treating particularly ill people on the basis of greatest urgency which would mean dumping frankly the waiting list initiative, which I have already referred to, and seen how the waiting list has gone down so successfully. We would have to kiss goodbye to the Independent Living Strategy, which so many people want, to help clients with special needs to be able to live independently in the community, an area of great investment. Forget it if you are going to agree with the Corporate Affairs Panel. We would have to quite probably close the surgical ward and we would have to abandon the convention by which we follow the NICE (National Institute of Clinical Excellence) recommendations on new and often expensive drugs that come on to the market. We, for example, recently took a decision, in advance of the NICE recommendation, concerning the breast cancer drug, Herceptin. At the moment, we are able to take those kind of decisions. With the ideologically extremist proposals of this Corporate Services Committee we would not be able to do those kind of initiatives. Senator Perchard says: "Rubbish". Well, it is true because the facts are plain. We have an excellent public health service provision here, just as we have an excellent

education service and many other facets too, all of which is achieved from an extremely low tax take as a percentage of GDP. That is a fact. You can check the figures yourself. Do not let anyone run away with the idea that somehow we are an old Labour tax-and-spend-style administration because we are not. This particular set of amendments, by this Panel, have been, I suppose, very attractive from a political grandstanding perspective when you want to play to certain audiences but in the real world, in terms of what our community expects us to deliver by way of civilised standards and high standards of public sector service provision, this amendment flies in the face of any such provision and I think it must be dismissed out of hand.

### **1.1.13 Deputy G.P. Southern of St. Helier:**

It is pleasant to follow a rational statement coming from the other side of the House today. Well, last night somebody said to me: “You know all politicians are part actor. They have to be good actors” and somebody said: “And all teachers have to be good actors. That is what they do. They stand up and present.” Deputy Ryan showed you a perfect performance this morning pretending to be a teacher with his **[Laughter]** looking over the top of the glasses. A teacher the like of which I have not seen in a school - Mr. Chips - for at least 50 years. Nonetheless, he did it well and it was effective and he spoke calmly and quietly and made us listen. I have to admit, Sir, I did not write down what he told me to write down. However, what I have written down is a single word “evidence”. That is what I have written down “evidence”. It has got a great big question mark after it because there is no evidence. It was very calmly presented and very effective but it was an act. I will continue the Biblical theme we started yesterday. At last, it seems to me, the Chief Minister has finally listened to repeated warnings from this side of the House, and from elsewhere, that running the Island is not like running a business. Government is more than business because we have the welfare of all our residents at heart. It is not about profit. It is not about bottom line. It is about delivering a good quality of service, as the Minister for Health has just said. I thought yesterday we were finally getting evidence that this was a genuine conversion. I hope it is; sincerely hope it is. It may be, and I hope not, that the Chief Minister is sailing under a flag of convenience to get through the next 2½ years. But let us hope so, hope that it is a genuine conversion and we have finally got welfare at the heart of our Government. Having spent years trying to make sure that that occurs, it seems to me that what we have got today, in this amendment, is likely to wreck that progress that we have made over the last 3 years. Yesterday I referred to the Deputy of St. Ouen’s amendment and I drew the analogy that he is riding into town to clean up the town and his aim was shooting from the hip and his aim was somewhat awry and he shot the town dog. Let us continue that analogy today. So what is the equivalent when the mild-mannered Mr. Chips, on our left ... do not be fooled by the disguise. This is a Mexican bandit **[Laughter]** with a team behind him, riding into town throwing dynamite sticks left, right and centre, to bandoleros, big Zapata moustaches, big Mexican hats. That is the equivalent. He is wrecking the town because the spending cuts of this proportion is sheer swivel-eyed madness. It would be insanity to accept cuts of this size on the budget we have got. Why do I say that? I say that because where have I been for the last 3 years - well, 2½ of those years anyway? I have been sitting on the Home Affairs Committee. I have presided over meeting after meeting where we have imposed cuts and come back to one, 2, 3, 4, 5, 6 departments and said: “Where is your contribution to the cuts?” I will just pick on one of those, one of those cuts and it is the probation service. Tiny little service, minimally staffed, providing an essential service. If you want to see your criminal justice policy brought forward, if you want to do something about numbers in the prison, if you want effective rehabilitation as a result of our criminal justice system, you have to have a

well-resourced probation service. The thing falls apart without that. It is a key cog in the wheel, cog in the machinery. We arrived at the position where the Chief of Probation Service said, and he said it I believe honestly: "That is all I can do. The next cut is a member of staff. Once that happens then, effectively, I will not have an effective probation service and you will not have an effective probation service and, in fact, you may as well close the probation service down because by pretending to be a probation service and not being able to deliver, we will be doing damage. We better give up that initiative. We better give up sentence planning. We better give up the whole idea of rehabilitation because we will not be able to deliver." So I know what the next set of cuts is likely to bring and I am sure we can go shroud-waving, or the equivalent of, and I am sure that every Minister, in those pews opposite, is able to produce their own list. But that is a key and essential element that I am aware of. While I have been doing that for the last 2½ years, where has Deputy Ryan been? He has been in charge of Postal [Laughter]. Well, I am sure he has produced some efficiency measures in his time in Postal and I am sure they are more efficient than they were. But in his time it has been relatively easy to do because the postal service has been having a free ride on the back of massively expanding fulfilment business. It has been relatively straightforward. He has not been wielding the axe and making hard cuts left, right and centre. He has not been involved in that. Some of us have and we know what it means. If we look at his gang of Mexican bandits, look down the list, not many of them have been involved in this programme of cuts that we have already taken part in. So it seems to me that we have got here - and I will return to the question of evidence in a minute - is a political statement. It is a political wish and it is not evidence-based. The giveaway was not the quiet approach started by the Chairman but the speech of Senator Perchard which was laced with political statements and not evidence-based. The only bit of evidence referred to, by the Deputy was the Inflation Strategy and the Stabilisation Fund in 6, a piece of perhaps 'A' level - perhaps not - 'A' level economic theory that may or may not work and certainly may not in this particular case because in referring to 6 - thank you for that reference to Chapter 6 and I am grateful that he referred to it - it says here opening 6.3: "It would be wrong to anticipate the contents and recommendation of a properly researched report on the merits of a Stabilisation Fund. It is quite possible that the report's findings might not concur with the setting up of such a fund or the practicalities of using such a fund to help promote economic stability." So it refers to one piece of evidence in what is supposed to be evidence-based research and it says it would be wrong to suppose that the way forward, the Stabilisation Fund, is going to work anyway and this is not researched in here. Any such piece of well-researched piece of work may produce the opposite result. So the Stabilisation Fund itself not guaranteed to work and no evidence presented here that it would work, just an acceptance that it might. But worse still, in my book, is the fact that this document has been produced and lodged by the Corporate Services Scrutiny Panel. I have a fundamental and deep objection to that because I believe that has been the politicisation of the Scrutiny function. This should not have been lodged on the back of the Scrutiny Panel. I do not believe there is research, there is evidence in here, to prove the case. What there is is their political wish to cut spending which has been hijacked and gathered support and some credence by the fact there are 6 names on it and not one. If this were lodged, as it should be, in the name of Deputy Ryan or perhaps - because he obviously feels deeply, passionately about it - in the name of Senator Perchard, which I suspect, then I would be on my feet arguing against it because it is politically the opposite part of the spectrum to me. But to have to stand here and argue against it when it is in the name of the Scrutiny Panel when the Scrutiny process, I believe, has been hijacked for political aims, I consider that that is an abuse of the Scrutiny process. We must be very careful that it does not happen again in future because there is not evidence in here to back up the political statements, the political intention, behind it which is to cut spending. In particular, the bit that

is missing and, as you look at it and as I looked at it, everyone surely said: “And the result of this cut in spending is going to be what? Where do you see in here what may happen? What might be cut?” Any attempt to talk even to the Ministers concerned about: “And if we did this, if we slashed this particular sum from your spending in the next 5 years, where will your cuts occur?” Not even an attempt to find it. This is not evidence; this is politically motivated drivel. I urge every Member in this Chamber to vote out this drivel and I am surprised that Senator Le Sueur said he would accept even one or any part of it. I shall vote against every single bit of this because, quite frankly, it does not deserve to be before us and it does not deserve to be before us in the name of the Scrutiny Panel.

#### **1.1.14 Deputy R.C. Duhamel of St. Saviour:**

Live for today and forget about tomorrow. This is what this is all about. There is a huge omission from our thinking in terms of how we run our housekeeping. The States’ housekeeping, in line with everybody else’s housekeeping, is a stool with 3 legs. Those 3 legs represent capital expenditures, revenue expenditures and the third leg of the stool, which we are keen and setting about at the moment, busily sawing off to make the whole thing unstable, is savings. If you look at the financing programmes that have been put forward, the capital to revenue expenditure is severely skewed. We are talking about massive sums of money going into revenue expenditure and we are finding the ways to commit to spending higher and higher proportions on that one part of our expenditure. The amount of monies that we are putting into the capital projects are of the order of 40 million for 2006, revenue expenditure 440 million, 11 times bigger. Right? If you want percentage terms it is around about 10 per cent; 10 per cent on the capital, 90 per cent on the revenue, nothing on savings. It is not just myself, Sir, that is said on other occasions. Indeed, we have had it from the Chief Minister that, indeed, the strategic reserve should be maintained at levels to justify the opportunity, should there be a downturn in our financial fortunes, to offset any major things that might happen in the future. It currently represents less than what we are spending in total on our capital and revenue monies. It has been said that the monies are in no way enough. 400-odd million, 450 million whatever it is, barely represents one year’s running of this Chamber. Picture ourselves ahead - let us do it and imagine Jersey as we were discussing the other day - global warming, climate change. Right, we have to find huge sums of money in order to protect the south-east coast. Where are these monies going to come from? We have committed ourselves to balance budgets so that means that we are spending basically everything that is coming in. We are not putting enough aside to counter any of these potential hazardous problems that are quite likely, or becoming more likely, to happen in the future. The Chief Minister told this Chamber in a previous meeting that if he had had his way, or could have his way, he would like to see the strategic reserve at perhaps 3 times the level that it is at the moment. Not £450 million set aside for the rainy day which, as I say, does not represent a full year’s expenditure at current levels and, certainly from the projections that are being mooted today going forward to 2011, would become an even smaller proportion. That he would like to see it some 3 times bigger. Why are we not putting a sizeable chunk of the monies that are coming in to the Exchequer aside for the rainy day? I do not know, Sir, but it is very, very easy to spend monies and that is exactly what we are doing. The property sell-offs, we have had a number of Members tell us that they think this represents the family silver and they are absolutely right. That is what is being proposed, if we do not go along with this amendment? It is being proposed that we put the money into revenue. We spend the money perhaps on helpful projects, right? We do not put it aside for the rainy day. What about the efficiency savings? Efficiency savings give us an opportunity to re-budget, reprioritise and to tailor the system to make it more efficient and more effective. What are we going to do with

those monies? We are going to reinvest them in finding ways to spend all those monies. We are not going to put anything aside. It is fundamentally wrong, Sir. Any society, any person in this world, puts money aside for a rainy day. We are not doing it - we should be doing it - if we do not support II and III which make some attempt to put monies into, they are calling it a Stabilisation Fund. A Stabilisation Fund is a rainy day fund of sorts. It is to smooth out the peaks and troughs. In addition, we should be setting aside even more, I feel, but that is not there in this particular amendment. So really, Sir, I feel that this amendment represents the bare minimum of what we should be doing in order to future-proof our particular society and how it spends into the future. If I had my way, Sir, I would be doing a lot more. I think there might well be opportunities to come to this House at a later stage in order to just do that when we are discussing Annual Business Plans. But, Sir, make no mistake if we are going to have a stable housekeeping stool it must have at least 3 legs and one of those legs is saving and, in my view, it should be the biggest. Thank you, Sir.

#### **1.1.15 Senator W. Kinnard (The Minister for Home Affairs):**

I think I might go back if I may, Sir, for a moment just to refer to the speech made by Senator Perchard. You notice, Sir, that he displayed a number of leaflets? Well, Members may note that he did not display one of mine. He will not find such comments in any leaflets that I have ever distributed because I will say that I have always found the Minister for Treasury and Resources not nearly as free with his favours as I indeed would have liked him to have been **[Laughter]** in terms of his financial resourcing. In terms of the actual prison, I would say that I have received assistance on occasions but not nearly enough. In fact, I will, for the benefit of Senator Perchard if I may, quote something that I said that might make this clear: "One-off funding has been made available to the prison to meet overspends in each of the years 2003, 2004 and 2005, amounting to £370,800, £1.7 million and £500,000 respectively. These sums simply address the primary task of incarceration. While this additional funding was most welcome it was not nearly enough to address the continuing budgetary pressures at the prison." Those, Sir, are words from my speech during the budget in December 2005. I think what we really need to address here is, in the real world, what does this amendment mean in terms of those of us who have a responsibility of trying to deliver essential services in an increasingly difficult financial climate? It is clear that the Scrutiny Panel's amendment seeks to reduce the funding that is going to be available for us to deliver the Strategic Plan by some £74 million. That means either tax increases, service reductions or a mixture of the 2. We do know the attitude of this Council of Ministers is that we do not want to raise any unnecessary taxes. If there is one amendment that might force us to change that view it is this amendment of the Scrutiny Panel because it would take so much out of the Plan that I really do honestly believe that we could not honestly go to the public with what would be left. It would not be acceptable. Further service reductions in my area, Sir, are completely unacceptable. You have heard a little bit from Deputy Southern and I am grateful for his words on that. Rather, also as the States of Jersey, what we are trying to do is we are trying to face up to international competition and in order to do that we have to present ourselves as a modern, functioning community. We have got to not only maintain the level of services that we have; we have to improve them. We have got to invest in social, environmental and economic initiatives to do that. £74 million taken out of our plan will not enable us to do that. We already know that there is limited scope for further efficiency savings. We have already made £20 million of those. In my view, Sir, there is just no justification for further reductions in the level of resources that are available to deliver the States' programme. If we think about it in practical terms, £74 million over the next 5 years, what does that mean in terms of the size of the cuts? 2007 probably 8 million; 2008, 15 million; 2009, 17 million; 2010, 17 million, 2011, 17

million, making the total of 74. Such reductions could be either in revenue or in capital. If we looked at cuts in capital expenditure, we have already pared that programme down as much as we can. That would completely destroy the building programme at the prison. I do not agree, I am afraid, with Deputy Duhamel's idea of completely divorcing -- having a false dichotomy between capital and revenue because when you have capital expenditure, revenue expenditure quite often is attendant upon it. If I have to build more cells at the Prison, more accommodation of prisoners, along with that goes a revenue expenditure in terms of staffing, in terms of the cost of extra food, of feeding extra prisons, in terms of the extra cost of electricity because more laundry is to be done and all the rest of it. The cuts will be very deep and very significant, whether they come from capital or revenue or a mixture of the 2. A particular point, I think, that might hit home with Senator Perchard, to my right here, to my far right here **[Laughter]**, would be that it would completely upset all of the programme that we have identified for the prison, both in terms of building and in terms of trying to bring forward facilities to deliver education. It would put a great big hole in our ability to deliver the IT systems, library services, because the physical buildings that we have at the moment are not appropriate and not adequate. They are not even up to human rights standards in many cases. Do we really want to be a community where we have to say that we are going to put money in the bank while we really cannot hold our head up internationally and to say that - perhaps I will be criticised for this - we treat vulnerable people, because some of those particularly young prisoners are vulnerable, in such terrible conditions and in such a dreadful way while we are storing money away in the bank just for a political motive? It is totally unacceptable. How would I rectify the long history of neglect at the prison? It would not be possible to do. The States, I hope, will approve the Performance Improvement Plan when I bring it to the House. But they have already approved the Redevelopment Programme which carries over the period 2002 to 2013. With these cuts we could not deliver that. I have been given the ability to employ a number of officer support grade staff to assist at the Prison because of the severe shortage of staff and the pressure because of numbers. Those individuals have already been interviewed for recruitment. What this would mean is I would have to go back to them and say: "I am sorry, the jobs are no longer available." This is what it means in the real world. You may smile, Senator **[Interruption]** but in the real world when we have responsibilities of Departments to run, this is what it means. The Prison would not be able to attempt to make any real inroads into the recommendations made by Her Majesty's Inspector of Prisons in her report. The Prison would at the same time find itself under increasing pressures. What would happen is that staff again would be made to work unacceptable hours of overtime. We would not be able to deliver the offending behaviour programmes because Prison Officers who deliver it would not, without their officer support grades, be in a position, would not have the time available, to do that essential type of work. It would lead to further re-offending in the future. This is the reality. In terms of States of Jersey Police it would mean a reduction in staff levels, a significant reduction in officers. You shake your head but it would. It would be unavoidable because 80 per cent of Home Affairs budget is staffing. So when cuts have to be made it would have to be in terms of staff. We have looked at the efficiencies. We have done the efficiency cuts. What would we be doing then? What would the cost to the public be? We are facing a demographic situation where we have a lot of young people getting a bit older now and we can see some degree, as they are getting older, of crime levels rising with that particular age group because there was a bulge of young people at a particular point in time. We know that we have got problems stored up for us as we are going forward for the next few years. Crime and disorder is a concern of people. Although we have low crime rates here, relative to Jersey, we are quite, and rightly so, intolerant of crime. If we have to make these sorts of cuts, we are really talking about many fewer Police Officers available to deal with that and what we would have is an increasing

crime rate. We have been making those cuts, make no mistake, in the knowledge that that is what we would be facing. Some Members may say: "Well you do not take frontline officers [Aside] off the beat. Cut somewhere else." How far can we make cuts into something like the Financial Crimes Unit when we have got international organisations looking over our shoulder? It just is not possible, not at the levels that are being suggested. In my particular areas, but I gather there are probably other Ministers, we have statutory obligations which we have to meet in terms of the safety and security of the public. We have to do these things. But savings measures of the kind being proposed here would inevitably mean we would not be able to meet a number of our statutory obligations in terms of delivering essential services. I am not shroud-waving. Goodness, I have been criticised lately for not shroud-waving enough. It also has to be remembered that in my area of work there are not the kind of rigid decisions that can hold for all time. It is a changing situation. For example, demands change from day to day on the operational level in terms of my public services here. What we have is a situation where you might say: "Well, let us take some resources out of serious crime. Jersey does not have a lot of serious crime." That is all very well and good except if you suddenly have a serial rapist on the loose. Not impossible. What do you do then? Unforeseen events and unplanned events do happen in the kind of area of work that I am responsible for. I cannot let Senator Perchard, or those of his colleagues who take this particular view, run away with the idea that they can make these sorts of cuts and there will not be significant and serious repercussions because there most certainly would be. I think this amendment really does go to the heart of what the Council of Ministers is seeking to do. Our proposals are designed to be as fair as we can possibly make them in a climate where there are increasing financial pressures. In a climate also where there are increasing demands on the services that we have to deliver. I think the question is, Sir, what we all have to ask ourselves in thinking about this amendment, is what kind of community do we want to be? I do not think, like others, that it is good enough to come to this House without proper evidence on the back of some ideological whim to put in such a serious amendment that would affect all of our community and the Island. I do not know where Senator Perchard has been in the last 10 years but the issue of outsourcing has been kicked around and about this Chamber time and time again. Had he done more research he would also have known about the 1995 Mori poll when the public was asked whether the public sector should be reduced by cutting some services: 56 per cent disagreed with this option. Furthermore, fewer than half of those polled - only 46 per cent - agreed with the suggestion that the public sector should be reduced by having the private sector take over some services. Does the Senator want to wreak havoc on our history of relatively consensual industrial relations, because that is what we would have? The model of private efficiency and public bureaucracy is a complete caricature and it is simply false, particularly in Jersey. We know it is false. The benchmarking exercise showed that our public services in Jersey are well run. They are efficient. We should be proud of them because they are so well run and so efficient because of the people who have an ethos of public service and work for us with that ethos. I cannot think of a single act more likely to destroy that ethos and completely upset industrial relations, both within the States' sector and no doubt further afield, than this particular amendment with the cuts that it is suggesting. We have seen experiments of this type in larger communities where perhaps it might work in some circumstances. I am not entirely against the idea of outsourcing in some circumstances but it has to be very carefully looked at and, certainly, the experience of the privatisation of things like British Rail and Water have not been popular and, in many cases, they have not been successful. I would hate to see a similar circumstance here. In fact, contracting out the compulsory competitive tendering was the way that it was done originally in the United Kingdom. That failed and local authorities had to go to a model of best value. Within that model, public services were able to compete alongside private ones for contracts and quite

often they won them. I would say that our benchmarking exercise was also a best value exercise and shows that there is not the kind of efficiencies that those who have been in this House for barely 5 minutes seem to assume that there are. I feel, Sir, that this particular amendment is just so ill-conceived that it really does demonstrate, I think, the danger of those that might listen to the mild-mannered Deputy across the way, Sir, the danger of listening to a wholly ideological postulation because what it is asking us to do, Sir, it is asking us to privilege ideology over and above good sense. Sir, I believe that the people here in our Island deserve much better than that. Thank you.

#### **1.1.16 Deputy C.H. Egré of St. Peter:**

I have been listening with great interest to the debate that has been going on this morning. I am left a little bit confused as to the way that things have moved on. At the very beginning it would appear that the heart of the Council of Ministers had a heart transplant because I clearly - and I made my notes here - heard the Minister from Treasury state that he was prepared to accept Part A of the amendment, Part 1 of (i), (ii) and (iii) and Part 3. I am assuming that within those constraints that what the Council of Ministers is trying to achieve still can be achieved within those constraints. That is the assurance I am looking for from the Chief Minister. It will be interesting to see how the Chief Minister ranges as the Lone Ranger with his Tonto as the Minister for the Treasury.

#### **1.1.17 Senator L. Norman:**

We have heard, I think, some quite extraordinary statements this morning. Senator Perchard who, in my view, made an excellent speech, well researched, well thought out. He was accused of making a political speech. He was criticised in that speech for expressing political wishes. I wonder if I have missed something over the last 20 years or so because I thought that this was a political body having political debates and making political decisions. Perhaps I have got that wrong. Deputy Southern, Sir, wanted evidence. The evidence is absolutely clear and in black and white. The Council of Ministers want to spend £57 million more than was agreed in last year's Business Plan and in last year's budget; a budget agreed by this Assembly. That is clearly the evidence. The amendment of Deputy Ryan's Panel is not to cut the spending, which you could believe if you listened to Senator Syvret and Senator Kinnard. It is not to cut the spending agreed. It is not even to cut the increases that were agreed in last year's budget and Business Plan. That budget remains in place. That increased spending remains in place if the Corporate Services Panel's amendment is adopted. All that the amendment does is to curb, to restrict, the excessive spending plans, the additional spending plans which we have not debated before, of the Council of Ministers. I really cannot believe that it is wise to start increasing spending - significant increase in spending - when we are embarking on a totally new tax structure and a new tax regime where the burden of taxation is being transferred from corporations to individuals. To increase spending at this magnitude, to start spending what has not yet been collected, is a high risk strategy, a risk, I suggest, we should not be taking at this time. Senator Kinnard used the phrase "shroud-waving" and undoubtedly that is what it was, as indeed were the comments from the Minister of Health because, I repeat and make it absolutely clear, the Corporate Services Panel are not proposing a reduction in spending, rather, they are saying: "Keep the increase spending in line with what already has been agreed." The Corporate Services Panel are not suggesting that services be cut by any means whatsoever. What they are saying is that additional increased services are not appropriate at this time when there is such great uncertainty about our future tax receipts. We can forecast as much as we like but forecasts are only forecasts. We saw, I think, it was a

£12 million additional taxation last year received above forecast. That could easily have been the other way round. £30 million additional found yesterday. That could easily be the other way round. To allow this increased spending is an extremely high risk strategy. The Council of Ministers seem to think, seem to believe, that the States have an infinite capacity to raise money through taxation. I suggest, Sir, that that is not correct because at some time the laws of diminishing returns will come into play, as they already have done with Impôts duty on alcohol and tobacco products where we have seen a greater reduction than was anticipated. According to last year's budget, that is what happened. Sir, there is also in the Strategic Plan a total lack of clarity on what this additional money is to be spent on. On one page it speaks about spending the additional money on roads and housing. A few pages further on it talks about spending that same money on health and welfare. It is totally unclear as to what this additional money is to be spent on. This amendment gives us the opportunity of making a choice: whether the States are going to go down the tax-more-spend-more route, which is highly risky, or are we going to accept the amendment and be prudent, maintain the stability which this Island has enjoyed for generations, maintain our international reputation, retain confidence in our economy for the long-term benefit of everyone in the Island for generations to come, or whether they are going to have the short-term fix of high taxation and high spend. That is not for me.

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

It is a pleasure to follow Senator Norman. I used to be portrayed by some Members of this Assembly as being on the extreme hard-nosed Right of this Assembly. I now know, after having heard Senator Norman, that I am not. He says for generations to come we are going to rue the day that we increased our expenses. He talks about confidence and all the rest of it. I am afraid Senator Norman appears to be living in a different world than I do. There is, indeed, a strange coalition in this Assembly today. It is strange that somebody like me appears to be in a strange political alliance with people that I have never been in an alliance with before. That is not what is happening. I think what is happening is that this Assembly is considering a Strategic Plan which is the result of a coalition of independents. There are some people on the Left and there are some on the economic liberal Right on the Council of Ministers. I think that what is happening, and what I see from the internal workings of the Council of Ministers, is that we are trying to govern, we are trying to run a Council of Ministers from the sensible centre ground of politics. I think that that is what Jersey people want. I do not think that they want the extremes of slashing expenditure, a worshipping of the constant view that the private sector does it better or, alternatively, the other view that we should spend until the money goes out. This Strategic Plan is about the central sensible middle ground. I think that it is a good debate to be had. I have said to Deputy Ryan that I welcomed his amendments and I think I welcome all amendments in being able to have a choice and have a debate. I will be supporting, again with other colleagues on the Council of Ministers, some part of this proposition. I think that they have done a good job in bringing forward amendments, some of which are going to be accepted and the Strategic Plan is going to be better as a result of it. But not all. There are some people, and I am pleased to see the Dean is here, that have spoken about miracles. I am afraid I have to say to the Assembly and to the Dean, I do not believe in miracles. There has been suggestion that somehow the Council of Ministers has brought out, like a rabbit out of a hat, this additional revenue. Some people are suggesting that it is a miracle that some people have changed their political persuasions. Nothing of the sort has happened. I think that some Members are entitled and, indeed I would like the public, because Senator Perchard has been very clever at bringing out election manifestos, to understand why I, as a Member of the Council of Ministers, did agree a few months ago to expenditure levels

which were higher than those previously decided upon at the end of last year. Let Members be in absolutely no doubt the result of this amendment, as far as the spending issues are concerned which Deputy Ryan is putting forward, will result in things in the Strategic Plan not happening and will be resulting in cuts in expenditure. There is no doubt about that. Senator Norman, I think, has been in this place long enough perhaps to be respectful of this Assembly in terms of explaining the reality of what the amendment may be. I did change my mind at about the turn of the year, as a Member of the Council of Ministers, on spending. I was convinced by colleagues that there was a compelling case for needing to invest in some areas in a way which we have not done previously. I was convinced by Senator Le Main in respect of his requirements for housing maintenance. I am convinced by the Island requirement of increasing investment in health services. I am also, by the way, entirely convinced and satisfied with Departments that we are putting additional money in that that additional money will not go like Gordon Brown did in the health service and just simply bid up wage inflation. I am satisfied that we now have Departments who are in an efficient enough state in order to translate additional money into actual services. That was an absolute prerequisite in deciding whether or not we would be agreeing potentially to additional money to certain different Departments. I am going to come on to the issue of efficiencies in a minute. Finally and perhaps the most important reason why I agreed to the additional spending is that I thought that we could afford it. I believed that the forecasts that are put forward - and as a member of the FEC (Finance and Economics Committee) I have seen these forecasts for a number of years. They are done 6-monthly. I believe that there was a potential to seeing the forecasts increase in terms of their revenue for the periods 2007, 2008, 2009. I believe that they were probably at that stage very, very prudent. I thought they were going to be increased as a result of the turn of the year and as we are seeing business confidence return. I was unable to say that we can simply change the forecast because politicians should never interfere in the independently compiled forecast for income tax that we see out of the next few years. The only way that the Council of Ministers could balance their books, in terms of spending, was to take some money from the DHLF (Dwelling Houses Loan Fund). I have to say that I was unhappy about that. Senator Le Main is absolutely right that I have been part of a group which has attempted not to spend it. I will admit to this Assembly I had my fingers under the table about the DHLF and hoped that we would not have to spend it. I am delighted to see - and there is absolutely no rabbits being pulled out of the hat here - there is no attempt by the Council of Ministers to bring forward figures just in order to manipulate a States debate in the Strategic Plan. The Council of Ministers is playing it straight down the line. The Council of Ministers last week received our latest estimates as we normally would do 6-monthly for the increase in income tax forecast out for the next few years. That showed very clearly that a result of these new estimates, we would not have to use the DHLF in order to fund our spending plans that we have decided. A key moment and the Council of Ministers wishing to be open with the Assembly, wishing to be open to the Island, and has come forward to say absolutely we do not now need the DHLF. I am delighted about that. It is what I was hoping for. I will come on to whether or not I think it is a certainty that it happens in a second. But the facts are that there is a resurgence of confidence in the economy. I would ask Members to think back to where we were 6 or 12 months ago where there was significant uncertainty about the future of Jersey. We had not decided the fiscal strategy. We did not know where the political world was going. We did not know whether ministerial government was going to work. Now we have turned a corner. There is a clear evidence that the economy is on the turn. That means that - and there is no free lunch, there is no miracle - because of the additional economic growth that we are going to be seeing, we have got additional resources to spend. That is the absolute truth of it. I am going to be supporting the concept of furthering the campaign to lock up the DHLF and I will be supporting the proposal to put it in the

Stabilisation Fund because I think that is the best place for it to be locked up. It is almost a strategic reserve times 2. I am disappointed with Deputy Ryan and Senator Perchard and other members of the Scrutiny Panel because if I would have heard from them a compelling set of ideas in order to improve efficiency and cut savings, that were absolutely realistic, then I would have been open to persuasion. I am one of those individuals that believe that organisations must constantly work at improving their efficiencies. I never believe anybody that tells me that there is no fat on the bone. Efficiencies and the efficiency programme, which this Assembly has approved, are requiring our public sector to save up to £20 million on efficiency savings, some of that by selling a small amount of property but the rest of it of efficiency savings. I would say to Deputy Ryan and his colleagues: “Go and talk to people in the public sector. Go and talk to accountants. Go and talk to people in HR (Human Resources). Go and talk to the people at frontline services. Go and understand just how difficult a task it is to deliver the efficiency savings that we have been requiring.” £15-£20 million worth of savings delivered in 2 to 3 years off the bottom line without any cuts in frontline services. This is a massive task. I think that we have a responsibility to not lay on the pain to our public sector staff. You cannot ask people to get blood out of a stone. That is what exactly what we would be doing if we would be agreeing and supporting with the Scrutiny Panel’s suggestion that we should not be taking the capital receipts in part of that £20 million savings. I would say to Deputy Ryan and his colleagues that they are out of touch. They are out of touch with what is going on in the public sector. It is a little galling, frankly, to hear from members of the Corporate Services Panel to lecture this Assembly on the issue of savings with no evidence whatsoever when they individually are people who are coming forward in this Strategic Plan with suggestions of how to spend more money. Senator Perchard has an amendment in the Strategic Plan saying that Senator Kinnard should have money for education for her Prison. By the way, there is huge support for Senator Kinnard on the Council of Ministers in dealing with some of the difficult issues that she has to face. Not of her making, by the way, in terms of Home Affairs in Prison. There is huge support. I hope that Senator Perchard will be vigorously supporting the amendment put forward by the Council of Ministers in saying that she should be getting the additional resources for the education requirements that she has put forward. We agree on that. But it is slightly galling to hear a member of the Corporate Services Panel, on the one side, say: “Save more money. You are not doing enough. No evidence”; on the other hand, coming forward with a proposal to spend more money. Senator Shenton, too, with his proposals yesterday for the winter fuel allowance. I understand he is a member. I stand corrected. I understand he is a member. **[Interjection]** Oh, he is an independent member of the Corporate Services Group. **[Laughter]** There is a new concept for you. There is a new concept. Of course we have Senator Norman whom I had to pick the mess after the plans that he put forward for the Harbours and Airport Committee, in relation to meteorology services, having a quick sleight of hand with a proposition before this Assembly moving about £1.4 million from the Airport to the former Environment and Public Services Committee and having resolutely defended the fact that he needed £7 million for the Airport. But we are having a good look at the Airport now and hopefully we will be coming forward and, indeed, Deputy Maclean I know is working very hard with the new Airport Director to make sure that place is as efficient as possible. No one will rest on the Council of Ministers, I say to the Corporate Services Panel, until we drive out all the efficiencies. But nobody should be under any illusions that enough is enough in terms of the period that we have put forward now. Senator Perchard was also very clever with his selective quoting from election manifestos. He put in my manifesto that we were going to have 6 tough years. We are about 3½ years into that statement of mine about 6 tough years. By goodness me, we have been through some tough times. We are going to continue to go through some tough times over the next 2 to 3 years. There is a lot of concern,

and there is a lot of really quite inflammatory talk from members of the Corporate Services Panel, about this issue of spending more money and seeing the inflationary effects. I am just as concerned as the Corporate Affairs Panel about inflation. I would say, respectfully to Deputy Ryan, in the next 2 years we will be taking approximately £45 million out of the economy in 2007 and 2008. Do not let anybody come and lecture me about the issue of spending more money and, on the other hand, taking money out of the economy. Because if Senator Perchard wants to give way, I am happy to do so. **[Interjection]** Did you want to say something? No, okay, good. I just thought he wanted to say something to us there. I thought he had a new pearl of wisdom to tell us. **[Laughter]** We are going to have to work extremely hard in order to achieve the forward projections on income tax. I am worried about one particular issue. I am worried about a slight complacency returning back into the Island, and indeed into this Assembly, about the fact that it is simply going to happen, this economic growth. We are just going to have to simply continue to mind the ship carefully and everything is going to happen. We are going to have to work tremendously hard in order to achieve the economic results and the income tax forecasts over the next few years. I am also looking forward, as a result of this Strategic Plan, for a proper debate about population because there are clearly trade-offs, as I said the other day. My fundamental principle on spending is you can spend it if you have got it. We are going to make jolly sure that we have got it to spend it. But it is a reasonable centre ground policy which has been put forward. I will be supporting, for the avoidance of doubt, one of the Corporate Affairs propositions, just as the Treasury and Resources Minister has already indicated. I will be accepting that because I think the Stabilisation Fund is absolutely key. I think that that is all fine apart from the structural deficit. It is interesting that next week Guernsey will be considering their fiscal strategy, spending half their strategic reserve and still ending up with a structural deficit and imposing much higher levels of taxation than we are in Jersey. Do not let anybody start telling us that we have now suddenly moved to a high tax and we are increasing taxes. We are increasing taxes and we are balancing our books and jolly good too that we are doing that in a prudent and economic way. I will be supporting the part that puts the Dwelling House Loan Fund into Stabilisation Fund and, of course, we must all vigorously oppose any suggestion that we can get more blood out of the stone in terms of efficiencies and also in dealing with other savings proposals. The last part of the proposition, we are at one in terms of inflation. We have got to do much more work on that and I will be supporting that.

### **1.1.19 Deputy J. Gallichan of St. Mary:**

Can I apologise, please, in advance to the House for not being very charismatic. I was going to address you as one of the band of Merry Men then I thought I would have a go as a Mexican bandito but I think now I am just going to be prudent housewife and come back with a couple of small comments. Firstly, the people of the Island are looking for efficiencies. They still are; they have been. But these efficiencies are being delivered. We have seen the £20 million savings being realised in part already in future but they are being delivered over a 5-year period. The 5-year plan may not be extended. We have that on authority, i.e. what we are already seeing as a saving may be all we are able to get from these efficiency savings. It may be all we are able to put by. Comments have been made that we should not be over-prudent. Indeed, in speaking earlier in the debates in response to Amendment 13 and also making reference that it would also apply to this amendment, the Assistant Minister for Treasury and Resources said that the Treasury was operating on the prudent end of assumptions but were not being over-prudent as if this was perhaps a standpoint to be denigrated. I would like to remind you that we are at a period of some considerable uncertainty. We are introducing new elements to our forecasts: zero 10, 20 means 20, GST,

will all have effects on our predictions. Also we are dependent on realising that economic growth target that we have set for ourselves. That is crucial. No matter how much work goes into these forecasts of how these will be affected by these future changes and how the bottom line of our budgets will be affected, these forecasts remain just forecasts. We have seen in the recent revisions of the figures that we have had today that they can be very different to the actuals that are realised. Perhaps they should carry that health warning that you get when approaching a stock market investment: "Warning: Forecast can go down as well as up." In the circumstances, it is as a thrifty housewife whose own accounts are kept in the black that I have to tell you that I do not consider over-prudence to be a bad thing, especially when I am spending other people's money. The amendments do not say do not spend this money ever. They just say wait a while, be certain that the forecasts are being realised, that we are certain of our future. Then, if the circumstances are right, this Assembly will have the right to decide to release these funds from the Stabilisation Fund and to spend them. We have heard a lot of gloomy predictions of what services will have to be cut if we adopt this amendment. If the economic predictions are correct, we will not have to cut these services as the funds will be available to cover them. But if we find out the predictions are not correct, if there is a downturn and we do not have the anticipated revenue streams for whatever reason - and I do say that I am not forecasting gloom, I do believe these revenue streams will come - my main concern is that they will not be achieved in the timescale that we have set out for ourselves. Then we will have funds in this reserve and we will be able to release the funds in a controlled way to maintain stability which I am sure is what we are all after. This will enable us to maintain a good level of essential services over a much longer period. Stability will result. Stability is essential. Thank you.

#### **1.1.20 Senator M.E. Vibert (The Minister for Education, Sport and Culture):**

I hope to speak briefly. I think a lot of points have already been made. I would like to give the Corporate Services Scrutiny Panel the benefit of the doubt. I fully believe they cannot realise the effects of what they are proposing, otherwise they would not be proposing it. I fear that if they did have their way we would really be going back to the bad old days with a twist. Members who have been in the House some time remember the bad old days where at budget time people used to bring forward spending plans saying: "We want to spend more on this, more on this" and never identifying where the money was to come from. That was roundly condemned generally and quite rightly so. Now the Corporate Services Panel are coming saying: "Now we want to cut and cut but we are not going to identify where the cuts should come from. That is up to you." It is irresponsible I am afraid. They admit at the end of their own report on page 18: "The Panel acknowledges it may be easy for the Council of Ministers to criticise amendments which will oblige them to rethink their spending plans. They may say that these are the very initiatives which are threatened by the Panel's amendments. The Panel does not accept, however, that these social priorities need to be abandoned by the Council as it is certain [no evidence but it is certain] there are other expenditure projects, for example, in the Capital Programme [they have not mentioned any] which could be re-prioritised. The Panel does not believe it is within its remit to identify specific changes which will be necessary to the draft Strategic Plan spending initiatives." In other words, just cut. We do not know. We have no idea, in fact, what you should be cutting but just cut away. Those cuts will affect the services we offer the people of this Island. I am not going to shroud-wave; I am not going to go on about the sorts of cuts that would affect my own Department and how it would adversely impact on the young people of the Island. I will just briefly refer to Senator Perchard's speech because he mentioned a couple of things he thought were easy cuts. He thought Fort Regent, that old chestnut, you know private business can run it much more

efficiently and it would not cost so much. Well, we have offered it out before. We have been there, seen it, done it, I have got the t-shirt and the scars. What do you tell the 10,000 people that use the Fort every week for their sporting facilities, for their health facilities, for keeping fit, for trying to develop a healthy lifestyle that will save this Island millions and millions in the future through keeping healthy? Some people have a very strange idea about how you save money. I am pleased that the Senator agrees with the importance of Early Years education and care for 3- to 4-year-olds but he thinks that giving more money, subsidising the private sector to provide this, will save money. It will cost, we estimate, £2 million more but apparently it saves money. No, Senator, if we had to introduce these cuts the sort of things that would have to go, quite wrongly, are, for example, Sports Grants. It was very interesting to hear the Senator use cricket analogies, talking about Warne bowling googlies and Murlil bowling and it got me thinking about cricket. It got me thinking about grants we gave to someone who wanted to develop a private cricket pitch. **[Laughter]** I do not remember then, Sir, anybody suggesting we put it in the Stabilisation Fund instead. Please be sensible. Do not accept that we should cut, cut, cut the death of a thousand cuts. We are making really harsh efficiency savings by saving up to £20 million. It is a law of diminishing returns on efficiency savings as well. We need and this Strategic Plan sets out a vision that puts the welfare of the people of the Island before right-wing ideology. We should reject these ill-conceived amendments.

#### **1.1.21 Senator F.H. Walker (The Chief Minister):**

Sir, I would like to cover a number of the points made in the debate so far as well as reinforcing, of course, the basic message. I had thought after I said in the *Jersey Evening Post* a couple of weeks ago when this amendment was first published, when I described the amendment as being a very right-wing agenda, I thought for a while maybe I was being a little bit hard on the Scrutiny Panel. But having heard one or 2 of the speeches from members of that Panel this morning, particularly Senator Perchard, I now realise I was not being hard at all; I was being, in fact, entirely accurate. Sir, Deputy Ryan in making the proposition and proposing the amendment congratulated the Council of Ministers on the work we did. I thank him for that. Sadly, I can thank him for not much else which he said afterwards, except that he and his Panel have caused us to have a meaningful, deep-rooted debate. In many respects, that is to be welcomed and I think is healthy for this House. But, of course, Sir, I cannot possibly accept anything which does indeed strike at the heart of the vision of the Council of Ministers which this amendment most certainly does. I referred to Senator Le Sueur yesterday as one of the most prudent men I know or perhaps I think I said: “The most prudent man in the States”, which his record has clearly demonstrated. That won considerable support from the House. I have, in fact, in the not too distant past, described him as a miser **[Laughter]** but that may be going a little bit too far as well. But, whatever, no one can say that Senator Le Sueur is not an extremely prudent man. Yet he fully endorses the way forward of the Council of Ministers. He does not believe that the way forward proposed by the Scrutiny Panel, which is based they say on extreme prudence, he does not believe that their position is right. He supports the necessary investment in the social and infrastructure fabric of Jersey as envisaged by the plan, as envisaged by the Council of Ministers. He shares my view, and that of his fellow Ministers, that this amendment does indeed strike at the very heart of that vision. He is quite right when he said that this is a debate about strategy. It is strategy. On the one hand, you have control expenditure and basically do not worry about anything else. That is all we are really interested in. We are not interested in developing social policies or improving the infrastructure or meeting the absolutely essential needs that we all know are there out there in the Island, be they housing, be they the aging population or whatever. It is not just strategies but ideology.

On the one hand, put controlling money above everything else or, on the other hand, continue to control your money, balance your books, which we are doing, but at the same time invest in the core social need. That basically is quite right. That is the nub of the argument. Deputy Le Claire was also quite right when he said to take £40 million out of the Council of Ministers' plans now sends out entirely the wrong message to the public. Some members of the Scrutiny Panel have made a great deal about the public demanding expenditure reductions. Absolutely right. But the public also demand improvements in our health service, reduction in waiting lists. They demand safe streets. They demand improvements to the prison. They demand improvements to housing and so on and so on. The message is you simply cannot do that without spending money. Some people need to make the connection here because they seem to be working in 2 completely different worlds. In one debate they will stand up and say: "I want to spend money on this. We must spend money on that and the public demand it." In the next debate they will say the public want us to concentrate only on saving money. I am sorry, wake up, see the big picture, connect the 2. You cannot separate them in any shape or form at all. Deputy Scott Warren asked again if the commitment on housing is intact. It is, even if the amendments that Senator Le Sueur suggested we should accept are accepted. The same message to the Deputy of St. Peter. All the objectives of the Council of Ministers can be achieved now because the position has clearly improved, which we should warmly welcome, not in any way treat like it is a rabbit out of a hat or what have you. In fact we should warmly welcome the fact that our financial position has improved. It suggests that our policies, the policies of the House, many of them made last year and the year before, are indeed working. Because the position has improved, we can accept - although not necessarily all members of the Council of Ministers will want to accept - parts of the amendment and still meet all our objectives at the same time, which is a very healthy position to be in. Deputy Le Hérisier - and I am sad he is not in the House because I think it is quite an important message here and it was taken up to an extent by Deputy Fox as well - said the public do not believe us. They do not trust us. The public just think the bureaucracy is growing out of control, the bureaucracy is growing like topsy and we have got to do something about it. In typical contradictory form, he did not allow that to let him support the amendment. He came back to say: "Well, despite that, I will not support the amendment", but never mind. But he is a Member of the States and he should therefore, as should we all, be explaining to the members of the public who say: "I am fed up with the bureaucracy of the States growing", we should be explaining to them that it is not and the facts are very clearly there. We are saving £20 million and each year, Deputy of St. Mary, not just by 2009. It will be each year by 2009 and thereafter. It does not stop; it continues. Every single year. We will be working up to it. We are saving over £10 million now, we will get to £20 million a year by 2009 and then it continues. If we can save more, we jolly well will save more, but it is each and every year. So we are saving money. As we have seen in the last 2 manpower reports, the numbers of public sector employees are falling, not growing. So Deputy Le Hérisier should be putting over that message to those members of the public who say they are fed up with an ever-burgeoning bureaucracy. It just is not happening and he has got the facts so he should be - and I hope he is - putting those facts over to those members of the public. Senator Kinnard mentioned the benchmarking, a totally independent report, which confirms that Jersey is offering its services effectively and efficiently when measured against just about every other jurisdiction that we could sensibly measure ourselves against. I agree, and I agree with Deputy Fox, that we need to get that message over more effectively but that is the reality. That is where we are really at. We are not growing out of control or anything remotely approaching it, rather the reverse. Deputy Fox, as I have said, also mentioned quite rightly public concern about expenditure but he, I know, will agree with me that the public also have concern - I have already really mentioned this - about the Prison, about health services, about education, about pensions, about benefits, about the less well off,

about crime, about housing and everything else. The public have got to make the connection as well between the quality of service they want and the fact that they cost money to deliver. You cannot have one without the other and there is a connection there that we have got to work on, I think, and encourage. Deputy Fox said that the Stabilisation Fund is good news and we should be using it to iron out the peaks and troughs and, of course, that is exactly what the Council of Ministers are doing, exactly why this stabilisation fund has been proposed. If our willingness to accept that part of the amendment which deals with the DHLF (Dwelling Houses Loan Fund) is accepted, then of course there will be an immediate injection into the Stabilisation Fund of a fairly considerable sum of money. We can accept that, as I have said, because the situation has improved. Senator Perchard wants a full explanation of why we have had a sudden conversion, why we are no longer using the £20 million in spending cuts to fill that part of the black hole. Well, Senator, it is very simple. The position has moved forward. There is no doubt that our position is improving and we know our position is improving. You referred to a financial forecast which was prepared in 2004. Our position has improved significantly since that time. What the Council of Ministers are absolutely determined to do is to create a better-balanced society. Jersey is a very wealthy Island and long may it continue to be so but there are people and there are parts of the fabric of Jersey which do not reflect that fact and we have really got to bring the Island where it needs to be. We have got to bring it up to scratch and bring it up to standard and we recognise that. So, still working with very prudent forecasts, we know we can afford to invest the savings in those essential investments. That is why we have changed direction. It is all, in fact, very simple and very positive for Jersey as a whole. Let me reiterate the point I made. The Council of Ministers is committed to no structural deficits. The Council of Ministers is also committed to no increases in taxation over and above the fiscal strategy approved by this House and any suggestion which I think Senator Perchard and Senator Norman made that we are going to just spend, tax and spend is just completely fallacious, completely and totally wrong. Senator Perchard is ignoring the newfound economic confidence which is so very clearly out there around the Island. He is totally ignoring it. The position has improved, as we have seen from the figures, and as a result there is even less justification for this amendment than there was when it was brought. There was no justification for it in the first place. Now there is even less - if you can get less than none - but there is no justification on the back of the improved figures for this amendment whatsoever. The amendment gives a choice. It produces a choice. The result of the amendment, if it was accepted, would be either tax increases, which the Scrutiny Panel say they are determined to avoid, or ongoing deficits, which they also say they are determined to avoid, or cuts in services or in investments in the infrastructure of Jersey. They cannot have it any other way. That is the choice the amendment poses and none of those options look to the Council of Ministers to be as attractive as they obviously do to the Scrutiny Panel. Senator Perchard said the improvement in our financial position is good news for everyone except taxpayers. Hang on a minute. If there are structural deficits, if there are bigger deficits, which is one of the possible effects, of the amendment, then who has to pay for all this? Taxpayers. If the situation has improved, who has to pay less, ultimately? Taxpayers. So how on earth he can say it is good news for everyone except taxpayers just, I am afraid, completely and totally defeats me. Perhaps he can explain it to me later but I certainly cannot understand it now at all. Sir, I am not going to bother about his comments about my election manifesto because I do have a record together with Senator Le Sueur, I have to say, which has been improved on and enhanced considerably. I do have a record and having inherited a position where the States were spending huge sums of money and we had massive overspends on capital projects one after the other after the other, I do have a record of bringing those right back into control and I have not changed one bit. I was not afraid to court unpopularity to bring expenditure under control. It was essential but now we are in a different

position. I will still work, as will Senator Le Sueur, to keep expenditure under control, absolute commitment, but where and when we can afford it and we can now afford it. I am also fully supporting investment in housing, in the ageing population and so on and that has got to be absolutely right. Both Senator Syvret and Senator Kinnard referred to the possible impact of this amendment and, yes, Senator Perchard is right, up to a point. The amendment does not propose cuts on what was previously agreed in the last Business Plan but it still presents the House with a choice. If the House wants to improve things - if, for example, we want to spend £7 million a year on housing maintenance - then either we drop that or we cut services that we are already delivering, core social services. You have got to have one or the other. You cannot get away with £42 million worth of cuts. You cannot get away without cutting essential services that the Council of Ministers wish to offer. You just cannot and any suggestion that you can is patently incorrect. For the first time ever, I think, I applauded a speech of Deputy Southern when he sat down. **[Aside] [Laughter]** I do not know what to make of this, Sir, and I will not speculate but he was so right. This amendment has been brought forward without any evidence to support it whatsoever and, as other speakers have said, Senator Vibert, Senator Ozouf, and so on, with no idea of and no thought whatsoever given to the consequences. When the Panel came to meet with the Council of Ministers, I asked them: "What are you suggesting we do not do?" They said: "That is not our job. That is your job so let us come up with £74 million worth of cuts and let you worry about what you are going to have to fail to deliver to meet them. We have not got a clue and furthermore we have no intention of finding out." Well, how utterly irresponsible is that? They seem to have virtually ignored the £20 million per annum that we are going to save and they said: "Okay, you have saved £20 million, that is fine. Now save another £74 million. Yes, go on, just do it, sure you can." What I will say to them is, if it was so blindingly obvious where those savings could come from, they would have identified them before now rather than just saying: "Here's a £74 million bombshell. Over to you, you find the answers." Unbelievable, absolutely unbelievable. I think I have already answered the Deputy of St. Peter. I can confirm that all the Council of Ministers' objectives can still be met, even if the amendments that Senator Le Sueur suggested we could accept are accepted. Senator Norman was quite right when he said that not necessarily services are being cut but I have already, I think, dealt with the choice. He said: "You cannot spend what you have not collected." Well, hang on, what government does not spend to its financial forecasts? I do not know any government in the world that does not spend to its financial forecasts. Also, if you take his argument to its logical conclusion, if you cannot spend what you have not collected, you will spend nothing in 2007, 2008, 2009, 2010 and 2011 because you have not collected it yet. So that again is a quite unsubstantiated argument. He said we seem to think - "we" being the Council of Ministers - that we have an infinite capacity to increase expenditure through increasing tax. Well, it is absolutely not the case. That is absolutely alien to the thinking of the Council of Ministers. He quite wrongly said that, with the law of diminishing returns, Impôts, is a good illustration of a diminishing return. In fact, it is largely the increase in Impôts returns that led to the improved financial forecasts we are currently faced with and currently welcoming. He asked on what is the additional money that the Council of Ministers is recommending going to be spent? Well, it is very simple. They are going to be spent on health care; rising costs of welfare, which is a fact of life, and introduction of the low income support scheme; investment in economic growth; vocational training for our young people; refurbishment of social rented housing, which we have all said is so important; road maintenance and the only one that is going, if you like, into the pot of the States: bringing the teachers' pension scheme into balance. But that is an absolute commitment and duty that we have. So that is what the money is being spent on: core essential social needs of the Island. I do not think anyone would argue that we should. I think I have dealt, pretty much, with the Deputy of St. Mary's

speech but I do agree with her totally that we do need stability. There is nothing, Deputy, in the plans of the Council of Ministers, there is nothing that Senator Le Sueur or I or other Ministers would sign up to, which would create instability. We are very certain of the way forward in this respect and we would do nothing to create instability. We believe as much as you do - and I am sure everyone does - in stability. So, Sir, the bottom line is this amendment does cut at the heart of the vision of the Council of Ministers. What excuse do we have in the wealthy Island we are, particularly with the improved financial forecast, in not addressing some of the needs that we have known about and failed to address over a number of years? You cannot do that if you take even the reduced figure, £42 million, out of our spending plans. You just cannot do it. So Members have a choice: save money and do not invest in the future, or continue to have a balanced financial management programme and invest in the core social needs. That is the choice before us. So this amendment is different but it has very much the same effect as the amendment brought yesterday by the Deputy of St. Ouen, which this House so resoundingly defeated. It has very much the same effect and I very much hope that the House will treat this amendment in exactly the same way as they treated that of the Deputy of St. Ouen yesterday.

**The Greffier of the States (in the Chair):**

Deputy, you have a point of clarification?

**1.1.22 Deputy C.J. Scott Warren:**

Yes, it is a point of clarification. Some of us believed that the Council of Ministers were accepting all 1.2.2 but have we got that right or wrong? Is the first part of A being accepted by the Council or not? It seems strange if it is.

**The Greffier of the States (in the Chair):**

Can you clarify that for us Minister?

**1.1.23 Senator T.A. Le Sueur (Chief Minister):**

I said that I was prepared to accept it but Council members will have to speak for themselves.

**The Greffier of the States (in the Chair):**

Very well. We have a number of Members on the list waiting to speak. I wonder if I could, just before calling the next Member, remind Members of the words of the Bailiff yesterday about the debate and perhaps also remind Members of the contents of Standing Order 104 on the contents of speeches, which says that: "A Member of the States must not unduly repeat his or her own arguments or the arguments of others." Perhaps I would urge those who are called to speak to ensure they are perhaps adding something new to the debate and I saw Deputy Lewis.

**1.1.24 Deputy K.C. Lewis of St. Saviour:**

Are you having a go at me, Sir?

**The Greffier of the States (in the Chair):**

No, not at all.

**Deputy K.C. Lewis:**

You will be delighted to know, Sir, I never speak longer than 2 minutes. Several months ago, Sir, I approached the Minister for Home Affairs to arrange a Prison visit. I had heard all about the La Moye Hilton and thought it would be desirable to have a look for myself. The visit took place with several fellow States colleagues and, with all due respect to the Prison Governor and his team who do an excellent job, I found the conditions abysmal. I am not suggesting for one moment that illegal behaviour should be rewarded but, unless we rehabilitate people, we are storing up massive, massive problems for the future. There has been a lot of talk today about evidence and I have seen the evidence of 3 prisoners in a cell designed for one. I have seen the evidence of cells closed and bolted because they are far too damp to be used. I have seen the evidence of a decaying Prison. I have also seen the evidence of a decaying Overdale Hospital - some of the older parts - and I have seen the evidence of breakdown in law and order in town. I believe in economies wherever possible, Sir, but I believe these amendments would be a step too far. Thank you.

#### **1.1.25 Deputy P.N. Troy of St. Brelade:**

Sir, I was not expecting you to call me right then but some have stolen what I was going to say in some regards so I will brief it down, Sir. But certainly for the Scrutiny Panel, what really has changed between the budgets and now? Of course, we have identified in the Strategic Plan what we would like to achieve as a government and it is a vision of what is best for the whole Island. Secondly, of course, we have received the additional financial information on future trends of our income stream and I will not expand on that because it was covered by Senator Ozouf. Of course, the economy appears to have been much more stable and there is improved business confidence. Our situation has changed and planned spending to achieve the aims of this strategy is acceptable because this debate is probably one of the most important debates that we will be having in the next 6 months. This sets out our strategy for the next 5 years and this is not reckless spending. It is planned spending, constructive spending, on initiatives that maintain or improve public services in the context of our economic forecasting. The Strategic Plan, as we all know, when implemented, will improve public services. It will rectify inadequacies in our current service provision and it will have a very positive impact on Island life. So, in a nutshell, reject the amendment. I am quite happy to support those parts that Senator Syvret is prepared to accept but, on other issues, we need to reject the Scrutiny Panel's recommendations.

#### **1.1.26 Deputy G.C.L. Baudains of St. Clement:**

Yes, there has been a couple of interesting comments this morning. Senator Ozouf told us that he did not believe in miracles. Well, I believe it is a miracle he can speak for so long yet say so little. [Laughter] Senator Perchard, Sir, spoke of shovelling and, having listened to Senator Walker, it seems we have plenty to do. I never cease to be amazed with the Council of Ministers. Surely it deserves a doctorate in hypocrisy. Never misses a chance to rubbish backbenchers or Scrutiny for bringing forward plans that properly require minimal funding and now criticises it for attempting to curb excessive spending. We had a black hole, Sir. Our leaders apologised to the public that, as a result of the initiatives that the finance industry would have to take on, we were expecting to end up with a black hole of probably £80-100 million. This was going to be filled, Sir, by economies of £20 million, economic growth of 2 per cent and new taxes. Now, Sir, we are told that our income from taxation is better than expected, about £30 million better, as I understand it. So what is proposed? Well, one might have thought that it might be prudent to scrap some of the new taxes but, no. The extra income has taken the pressure off efficiency cuts. It appears the new taxes will be squandered

in the usual time-honoured way. Sir, unlike the Council of Ministers, I stand by my principles. When I say that I want to drive out inefficiency, I stand by that and I am not seduced into opting out when a windfall makes that a possibility. Sir, I warned at the time when new taxes were being mooted, especially Goods and Services Tax, that not only would it hurt the less well off, as opposed to the poor who will presumably be taken care of by the low income support, but also remove the will to root out inefficiency and ensure that the public gets value for money. Clearly, Sir, the Council of Ministers, and Deputy Southern too that we heard this morning, are “tax and spend” people. I, Sir, am disgusted by the excuses that I have heard by the Ministers and some Assistants when they attempt to justify a spending spree on this new money just because it has arrived unexpectedly. It is irresponsible, Sir, and as we heard from Senator Perchard, possibly dishonourable comparing it with the manifesto commitments. Sir, I was not impressed either by the comments made by the Minister for Home Affairs when she said further cuts to social services cannot be tolerated. Well, that is as may be and I am not aware that anybody is suggesting cuts. What we should be looking at, Sir, is efficiency, which is a completely different issue. There may well be services that could be done more efficiently or better by the public sector. There are areas within the public services where the public servants literally cannot manage. They have so much work. There are other areas where it appears they are looking for something to do. Why are we not addressing this? The proposals by the Council of Ministers take the pressure off looking at that. We are, Sir, talking about efficiency. Again, the Minister for Home Affairs, I think, condensed the thoughts of many of her colleagues when she stated that cuts would reduce staffing, entirely failing to understand the issue. She might perhaps care to reflect upon the salaries paid to the States of Jersey Police Officers. I believe it is completely out of kilter with forces elsewhere. Efficiency does not mean cutbacks. It means getting one man to do one man’s job, Sir, instead of 2 or 3. Some areas of our public sector probably would not survive in the private sector. Instead, the Minister tells us that our public services are ultra-efficient and unsurpassable on delivery and asks where Senator Perchard has been for the last 10 years. Well, Sir, I wonder where many of our Ministers have been for the last 10 years. I sometimes think it is in a parallel universe. Other times I think it is in a divergent universe. I fully support the amendment, Sir, because to do otherwise is abrogating our responsibility to those who elected us. It is a straight choice, Sir: to go back to the bad old days of tax and spend with the Council or to adopt a moderate and fiscal prudence by adopting the amendment. It does seem, Sir, that we should reflect upon the 3 shovels that Senator Perchard spoke on earlier this morning.

#### **1.1.27 Deputy J.G. Reed of St. Ouen:**

I will not echo the views that I made yesterday because I am sure they were very, very clear. However, I will make a couple of points. I can just see it now: *JEP* headline is “Maybe Tomorrow. Senator Ozouf, Economic Development Minister states, ‘Needed money from the Dwelling Houses Loan Fund no longer required. Additional resources available to spend.’” That is basically what we have been told and, interestingly, when we look at the proposals made by the Corporate Services Panel and what has been agreed, another sign appears. The sign is: “Oops, we played that card a bit early with the £30 million but do not worry. We have just spotted we can grab it all back because we are going to bury and lock up the Dwelling House Loans Fund again”, which is the one thing that they were proposing not 2 weeks ago. What does that tell you? That tells me that, Senator Kinnard and Senator Syvret, there are monies available which we obviously discussed at the Business Plan. There are monies available that we can address the poverty situations and address supporting those less well off. However, there are also monies available that we decided last year when we agreed the business plan and agreed to their savings. But the one interesting thing is: “Oh, whoa, the

Council of Ministers, when it gets to that bit, no, no, sorry, not interested.” This is accountability, that is all. Simple and effective accountability. So I do not believe that this proposal is wrong. I would like the Chairman of the Corporate Services Panel to clarify a number of things for me because I have been trying to look at what is a Stabilisation Fund and what it should be used for and who controls its use, all too importantly. I have certainly found it is a fund into which monies will be paid in times of plenty, which can be used when times are hard. That sounds okay. I look to the economic growth plan. Currently it proposes that monies from the strategic reserve would be used to set up and capitalise a stabilisation fund. This means that using funds which are supposed to be under lock and key and only used in a major emergency will now be used for supporting government expenditure if there is a 10 to 20 per cent reduction in anticipated annual income; 2, in addressing increases in unemployment over a certain level; and it goes on to say the Fund could also be used to include other funds and monies. As I say, I really do want this clarified, please, Chairman. It says the Fund is able to be used by the Treasury Minister. Now, is that solely by the Treasurer Minister? Are the States as a whole able to determine the use of those monies or are we reliant simply and solely on the Treasury Minister? I am not suggesting that is wrong but, equally, it will also put a different slant on why the Council of Ministers are supporting different parts of this proposal. So I wait to hear a reply. Thank you.

**1.1.28 Deputy A.D. Lewis of St. John:**

I have not been a politician for very long and I am not a former teacher and I am not a frustrated actor so I shall not talk very long. I am slightly concerned about the bandit next to me, whether all his firearms are licensed, but that is another matter. **[Laughter]** Deputy Le Hérissier talks about the public not trusting us. I am afraid if we were to renege on the suggestions or the commitments we have made to essential public services at this point, they certainly will not trust us, so I was quite concerned about that. Senator Le Sueur, who I know has a sizeable social conscience, quite rightly has resisted strongly the suggestions that have come out of this particular Scrutiny Panel. I spent many years from outside the Chambers, many of you will know, pushing for cuts in public spending, some of which have been achieved and efficiencies created. But if we fail to continue to invest in essential services, our economy will simply stagnate and go backwards. I do not want that and the public does not want that. I thought I was right wing until I heard Senator Perchard. I was often criticised of it. In fact, I was once mentioned by Senator Syvret as a right wing fundamentalist. I am now not quite so sure. If you really want --

**Senator W. Kinnard (The Minister for Home Affairs):**

He has been rehabilitated, Sir.

**The Deputy of St. John:**

Thank you, Senator. We talked a lot about public confidence. If we really want the confidence of the public going forward, I would strongly urge Members to not go with the suggestions of Deputy Ryan. Deputy Ryan did not give evidence that I would like to see that bears scrutiny. The evidence simply is not there that what he is suggesting would work. His scaremongering about inflation, I am afraid, just does not stand up to scrutiny. We all know it is well documented, that we will be taking out millions of pounds from the economy with additional taxes. This will counteract some of that inflationary pressure from this additional public spending. I cannot support the amendments that Deputy Ryan is suggesting. Thank you, Sir.

### **1.1.29 Deputy G.W.J. De Faye of St. Helier:**

Well, Sir, cripes and crikey. Has it not been a wide-ranging debate? First we have been invaded by rampaging and rapacious Mexican bandits and we have had conversions on the road to Damascus, miracles, parables, anecdotes, allegories. We have had 3-legged stools and the 3 shovels. **[Laughter]** I feel terribly sorry for radio listeners. It must be extremely confusing. Are you listening to economic school, Sunday school or play school? **[Laughter]** But seriously, I hope that Members are not confused by any of these novelty descriptions. Senator Perchard's 3 shovels I thought was jolly interesting and entirely appropriate to a man of his experience of the soil, but let us be aware about what the black hole is. It is not just a hole that you sort of fill up and that is it. This is a hole that, as you are filling it up in one year, is starting to grow as another hole in the year after and another hole the year after that, so you have got an awful lot of shovelling to do. Even more, no one is quite sure how big the next hole will be. So this creates a very interesting problem on the economic front. How do you deal with this rolling target? Now, I am afraid, for the sake of shorthand really, I have to fall back on some of these novelty images. But the one I liked from the man I trust with our economy was Senator Le Sueur indicating to us that, while he has had his foot on the brakes of the economy for a while, he has just lifted it up a bit, but he has not put his foot on the accelerator. I think that is the key to what this debate is all about. This black hole is there. It is not exactly a hole. It is a sort of moving target. Fortunately, Senator Le Sueur is not like Evel Knievel, riding some sort of motorbike across Death Valley and having to make a huge leap and then suddenly thinking: "Perhaps I've put my foot on the brake a bit too much" and then getting it wrong and then our economy plunges into the canyon. No, he has got a much easier job. It is more a question of fine-tuning, which is what he is doing. That is why I find myself able to change my mind about how expenditures are made on the Council of Ministers. Now, I am up for efficiency savings and cutbacks as much as the next Member. I am the chap that coined the analogy about the Titanic, which ran and ran until it hit an iceberg. No, I was up there with the Connétable of St. Helier and Deputy Dorey in the crow's nest going: "What are you all doing drinking gin and tonics? Can you see what is coming down the line?" Of course I am alert to this, but that is why we need to put a little bit more money into the economy. Senator Le Sueur has got our economy kitted out in lycra, effectively. But it has to go into a bit more training because it has to be able to jump that hole and it has to keep jumping that hole every year. So we have to grease the wheels a bit. Sorry about the mixed metaphors. We have to pump up the muscles for our lycra-clad economy. You do not do that by simply sitting on the cash and saying: "That is it, no more." There needs to be an element of putting a bit more money into the economy because you get a virtuous circle of expenditure, spending and taxation and so on and so forth. Now, you have heard - and of course I declare an interest; yes - road maintenance is one of the areas that the extra money would go into. But let us be quite clear. This is not simply about some chaps going down and sticking a bit of tarmac onto the roads and it is straightforward money lost expenditure. These are people who live in our community. The people doing the asphaltting are earning money. They are living here. They are spending money in the local economy. They will certainly be paying taxes, thanks to ITIS (Income Tax Instalment System), and that is what makes the economy go round. Right now, we just need, quite clearly, a little bit of a foot off the brakes and a little bit more money going into the economy to make sure that when we hit the first of the black holes, we are up to speed and we have come up to the right speed and the economy can deal with it. I do take exception to some of the fundamentalist bottom-line accounting that we see expressed from certain Members of this Chamber. Yes, we do have a lot of people working in our public services, around about 6,000 in real terms. That means that, not just States Members, but probably everybody in the Island knows somebody who works for the States. But this is not some sort of disembodied group. This is probably 8 per cent of our entire community. They

live with us, they shop with us and they pay their taxes the same as everybody else. It is simply, I am afraid, not a particularly caring and considerate approach to say: "We have to axe a few more here. We have to make these cutbacks and see some jobs come to an end." If you start going down that road, people who have had a productive future within the community suddenly become your welfare cases. Instead of producing, you are paying out. So there is a very fine balance to be struck in this economy and I do not buy the Dickensian approach of the Corporate Services Panel. What a bunch of Uriah Heeps they are. These guys are straight out of Dickens. It is Oliver: "Please, Sir, may I have more money?" More? More money? They pour, in a Uriah Heep way, over their ledgers and then, if you are lucky they lead you through dusty and darkened corridors and open up some murky chest and grudgingly hand you a promissory note, all signed, sealed and delivered: "Yes, and be careful how you spend this, Minister." No, that is the Corporate Services Panel for you. Wrong century, wrong thinking. A failure to grasp modern economics. They do not get it. No, the Council of Ministers has got this one right. We need to engineer the economy so that it is in fighting fit shape to meet the first of the black holes as they come on and we will deal with that. As we grow the economy, realistically you shrink the size of the black hole. So I hope that Members will not be seduced by this battenning down the hatches, lock it all up: "we made the decision last year and we should stick to it" approach. No, Ministerial Government, in which we all take part, is about flexible decision making, looking into the future, seeing what is coming and being prepared to deal with it. That is what I think. Not only that, it is also understanding the views of other States Members, and I welcome the fact that Senator Le Sueur has been able to accommodate some of the views. But there are some elements of this you have just got to say no to and I urge Members to say no.

### **1.1.30 The Deputy of St. Martin:**

May I propose a closure? We have been at it since 3 hours now.

### **The Greffier of the States (in the Chair):**

Deputy, under the Standing Orders approved by the States last year, a closure motion requires 30 minutes' notice. So, you could at this stage give notice that you will at 12.40 pm propose a closure. **[Laughter]** Is that what you wish to do, if we are still going by then? Very well, that is noted.

### **1.1.31 Connétable A.S. Crowcroft of St. Helier:**

I am pleased to follow my former colleague in the crow's nest of the Titanic. He is very good. He would be very good on television, I think. **[Laughter]** I just ask him to say hello to Deputy Ryan as he climbs down the rigging from the crow's nest to join the gin and tonic group on the bridge. Sir, I was not going to speak on this and I am not going to say very much. I have done the numbers, as Senator Ozouf likes to do in some key debates; it is not going to get through. It is quite clear that it is going to fail but I do want to say a couple of things. First of all on a personal note, I supported the Fiscal Strategy last year, particularly the prospect of bringing in a Goods and Services tax, because I was convinced by a presentation in the Société Members Room by the Chief Executive of the States and other Members of Finance and Economics that ambitious but necessary cuts were going to be made. I supported the Fiscal Strategy on the basis that £20 million annual savings were going to be effectively given back to the public or at least used to mitigate the effect of new taxes. Along comes Ministerial Government. Ministers gather in a hotel, spend £2,000 on that. Fit out the new Council rooms, spend £20,000 on that. Find extra money for the university top-up fees,

£100,000 on that. Suddenly we are looking at that £20 million being, euphemistically, reinvested. All I can say is I no longer support the Fiscal Strategy because I feel I have been deceived. The grounds on which I supported it - and it was not easy. Many members of the public were adamant they did not want a Goods and Services tax brought in, and that is how I defended it. I can no longer defend the Goods and Services tax and, indeed, other aspects of the fiscal strategy I think I will certainly now be looking at very closely. If this proposal we are considering today had been put to a Rates Assembly, such as is being held over the next couple of months, I am sure it would have been defeated in every single parish. But of course Rates Assemblies are different in the way they spend money, which is not our money. As I think the Deputy of St Mary said, it is the public's money, and Rates Assemblies and Connétables know that when they go to the public, that that money is going to be scrutinised. I think, Sir, the public are dismayed. The message that has gone out today is that we are in the money again; we have found lots more money. I remember that headline "We are in the money" from a previous *Jersey Evening Post*. We had a lot of talk about how bad things were and suddenly a whole new source of money, a windfall one Member described it, had been discovered. The idea that all these service improvements that have been talked about today at some length by Ministers cannot be delivered through more efficient working simply does not seem to occur to people. We simply must take that money we are going to save, after all, we have got the tax thing through now, so we can always put the taxes up if things go bad. If tax receipts go down we have always got the ability to put up GST (Goods and Services tax). I think it is a sad day and, as I say, I don't like to be cynical but it was quite clear before the debate that the way the numbers added up the Corporate Services Scrutiny Panel were not going to get this through. I think they have done a lot of work on it against tremendous odds. I mean, having the figures changing almost hourly and only finally confirmed yesterday afternoon, they have done a very good job. The basic principle, save the money rather than spend it, I have been saying that for years in this Assembly and I have almost got tired of saying it. But I commend them for saying it and I will certainly be supporting their proposition.

#### **1.1.32 Senator P.F. Routier:**

I will just follow on from that comment from the Connétable of St. Helier because he talked about being very keen to save money and he feels let down by the way that the Council of Ministers has changed things and he is not able to support the fiscal strategy in the future. I am disappointed with that because I think any organisation, the States in particular, needs to be prepared to take a current view on what the situation is. What has happened is the States, the Council of Ministers and the Treasury and Resources Minister have taken a current view of the situation with regard to the financial matters and I believe that it is going forward in the right way. I am also disappointed, really, with a number of speeches today, in particular the people who have -- yesterday the States have made a decision, I accept that, of a winter fuel allowance. There are people who have spoken very strongly today about saving money. The Connétable of St. Helier voted in favour of that. £2 million we are going to need for that, perhaps. Deputy Baudains, exactly the same, voted in favour of it, £2 million pounds. He wants to save money. Everybody wants to save money. The proposer of this amendment voted in favour of it, £2 million. How does it stack up? I really just do not understand it. It just does not make sense. How can you do one thing one day and something totally different the other day? I leave it at that.

**1.1.33 Deputy P.J.D. Ryan (Chairman of the Corporate Services Scrutiny Panel):**

I must say that I am very flattered to be compared with Mr. Chips. [Laughter] Goodness me, flattery indeed, and from a past school teacher, although I do not hear his past performance ever having been described in the same manner. Flattered, yes, but also a little bit disappointed. When people are short on logical argument they resort to personal abuse. That is a fact. Let us just refer to one or 2 of the shroud wavers. Senator Syvret talks about health service increased costs and he is absolutely right. There are increased costs. Let me make it absolutely clear. I am not against increasing health spending. That is why this Assembly has consistently provided above-inflation spending rises for as long as I have been in the States and I have no doubt that we will continue, as an Assembly, to do that. That is exactly what was detailed in the 2006 business plan, endorsed by Senator Syvret and confirmed by Senator Syvret at the budget of 2006. I was accused by him of political grandstanding. Praise indeed from the master of political grandstanding in this Assembly. I think, first of all, I ought to clarify before I go any further something that Deputy Scott Warren asked. It may not be quite clear exactly what the Council of Ministers is accepting. I think that would help Members. If you look at the amendment - and I would appreciate if Senator Le Sueur would confirm that I am correct - my understanding is that they will accept 1.2.2. Yes, that is confirmed by Senator Le Sueur.

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

To the extent that I can commit my fellow Council of Ministers, the Council of Ministers' view is to accept 1.2.2.

**Deputy P.J.D. Ryan:**

Then 1.2.3(1) only?

**1.1.35 Senator W. Kinnard (Minister for Home Affairs):**

Senator, I wonder if you would give Senator Le Sueur the opportunity to perhaps consult with some of his colleagues on the Council of Ministers because I am not entirely sure that all of them are of one mind on this.

**The Greffier of the States (in the Chair):**

From the Chair, looking at Senator Le Sueur, I think it may fair, Senator, for you to indicate that this is perhaps your own view.

**1.1.36 Senator T.A. Le Sueur**

That is my considered view, certainly, Sir.

**1.1.37 Deputy P.J.D. Ryan:**

He also accepts 1.2.4. Okay, I hope that is clear. Although there may not be total agreement within the Council of Ministers, I think what it does indicate is this, and this comes from the Minister for Treasury and Resources. What he is in fact saying is that the spending plans in the Strategic Plan will not be jeopardised, in his opinion, if the Assembly votes in the way that he has accepted. Regardless of what anybody else in the Council of Ministers says, that is his view and I think that should be clarified. Also, Senator Le Sueur has told us that he has a range of responsibilities in addition to controlling inflation and I accept that. For example,

stewardship of our infrastructure is an equal responsibility that he has and hence the extra spending. What I would say to Members is only part of the extra spending is going on infrastructure. There is lots of spending that is not and cannot be described as this. What I would like to ask the Senator - again I am labouring a point and I do not mean to particularly - what is so new between December 2005 and February 2006? So new, and requires such urgent new spending over and above the extra spending already in the 2006 budget. Then there is the £20 million of efficiency savings. Lots of people have talked about that but, in our report, we say that this is beyond the scope of our report. The money has or will be saved. Of that there is not much doubt. I am convinced it will be saved. That is a brilliant job that has been done and I think we should congratulate our senior officers and the political leadership in charge of that for doing that. That is exactly right. Much of it, though, has already been reallocated to other spending, maybe in health or education. Frankly, as I have already said, I have no argument with that except for one thing: the original intention. The original intention for this £20 million was to help to fill the black hole and I do not think that is arguable. Is the black hole smaller now than we thought? Maybe, but we are not sure yet and we will not know for sure until about 2010 or 2011 maybe. Maybe in another couple of years; it does not matter. What is sure is that we are not sure now. As it looks at the moment - and even the Treasury do agree with this and the evidence that I have been accused of not putting into the report is there in various tables - the evidence shows through the extensions to the financial forecasts and beyond to 2011, that there is still a black hole problem that we have not solved or made provision for yet. The Chief Minister's theme in his opening speech on Tuesday talked about the need to be courageous, the need to spend this extra money, take the bull by the horns. This is very laudable. But I would say to him that creating a stabilisation fund in the way that our amendment would be is by far the most courageous step towards our long-term economic stability, with all of the disciplines implied with its use, that any States Assembly has taken in the past or is likely to take in the future. When the States first created the Strategic Plan, this was a bold and brave move as well. Putting money away in case of future problems and emergencies instead of spending it, as we have pretty much always done up until then, must have seemed a brave political move at the time. Putting away excess money with no real knowledge of when you are going to spend it is one thing. But putting away money with the deliberate intention of spending it when all around might seem like doom and gloom, which is what you are going to get as you would for a Stabilisation Fund, will take a completely different type of courage and more importantly confidence, not only in our ability to run the economy efficiently over the long-term but overriding confidence in Jersey's ability to bounce back from any difficulties thrown at us from beyond our shores and out of our control. It goes without saying that our confidence will be boosted if we can avoid difficulties of our own making through unwise spending at the wrong time in our economic cycle. My Panel believes that we are in danger of doing just that. Now, let me turn to the Council of Ministers' comments that you have. The first sentence on page 2 of the comment says: "Should the amendment be supported with no corrective action, the consolidated fund is likely to become overdrawn in 2007 and this is contrary to the Public Finances (Jersey) Law." Perhaps I should refer the Council or the writer of that comment to section 5 of our report on page 10 and particularly 5.1, where we make this exact same comment in heavy type but using different language. In fact, if one were to rewrite the comments using the phrase "reduced spending growth" - not reduced spending, just reduced spending growth - as opposed to "make reductions in services", then the comments could have been lifted almost completely from my Panel's report. This is the crux of it. The crucial question is this: does reducing the new spending initiatives in the plan through these amendments equal reductions in services, as the Council contends? No, it does not.

**Senator S. Syvret:**

Where is your evidence?

**Deputy P.J.D. Ryan:**

I am not standing down, Sir. If so, why was the threat of these “serious service reductions of a scale that has not been seen before in Jersey” not identified during the lengthy and detailed debates on the 2006 business plan in September 2005 and the budget debate of December 2005?

**Senator W. Kinnard:**

Sir, in fact I did.

**Deputy P.J.D. Ryan:**

What were all those Committee Presidents and now Ministers who voted in favour of those debates doing last year? Were they that out of touch with reality? I have been accused of being out of touch with reality. Were they out of touch with reality at that time? Did they attend the fundamental spending reviews, the resource plan of budget briefings and the daylong workshop sessions? I do not mean to be facetious and I have just been facetious deliberately, but I am being facetious in the face of a comment which is just a little bit over the top. The damage that will be done through stoking inflation, if that is what happens, through extra spending at this time will probably not be fully apparent in the next 2 or 3 years. It will be in the 3 or 4 years after that that the States will have to pick up the pieces, rather in the same way that politicians in the last session were forced to grasp nettles following the excesses of the 1990s, steam clocks, caverns et al, and that was in the 1990s, Senator. Yesterday was 21st June. That is the longest day of the year, as we all know. Certainly at times it felt like it. I am also acutely aware that there are another 30 or 40 debates to go today or tomorrow or next week. So I hope that those Members that I have not referred to directly and indeed that have spoken will forgive me for not referring to them directly. I would like to thank all speakers for their contributions. This was a debate that absolutely had to happen, bearing in mind the quite significant overall change of direction from the successful economic policies of the recent past that the main thrust of the Strategic Plan represents. Sir, I am going to close the debate now. For the first time under the Ministerial system, the States as a whole team is being asked to shape a mandate within which the Executive will be asked to operate. It is therefore, perhaps, the first true test of the democratic process in Jersey, 21st century style, and I think it bodes well for the future. So, Sir, I maintain the amendment and I ask for the Appel in 5 voting sections, as indicated. Thank you.

**1.1.38 The Greffier of the States (in the Chair):**

I note that the Chamber is full. All Members are in their designated seats. Can I just say before the votes are taken, from my own experience operating the voting system, it is of assistance to the Greffier if anyone would like the votes read out. Could they make that known fairly quickly because once the voting system is reset for the next vote it becomes more difficult to go in and read the votes out. So, if anyone would like the votes read, please indicate fairly quickly before that is done.

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

I would like to ask for the names but I think it is also good to have the votes not unknown in terms of who is voting. Is it not possible to perhaps have the printouts and for them to be read

out immediately? They are normally available straight afterwards. They could be brought in and read sequentially afterwards. I think that would be preferable.

#### **1.1.40 The Greffier of the States (in the Chair):**

I will ask the Members, but the Members are entitled to ask for the votes to be read out after the votes, and it is just that it is of assistance if that is done fairly quickly. The Chairman has asked for the voting to be taken in 5 parts and, therefore, the first vote is on the insertion of the new paragraph 1.2.2, concerning retaining budget surpluses. The Greffier will open that voting. All Members have cast their votes. I ask the Greffier to close the voting. That part of the amendment has been adopted; 36 votes were cast in favour, 17 votes against.

#### **POUR: 36**

Senator L. Norman  
Senator F.H. Walker  
Senator T.A. Le Sueur  
Senator P.F.C. Ozouf  
Senator B.E. Shenton  
Senator F.E. Cohen  
Senator J.L. Perchard  
Connétable of St. Martin  
Connétable of St. Mary  
Connétable of St. Peter  
Connétable of St. Clement  
Connétable of St. Helier  
Connétable of Trinity  
Connétable of St. Lawrence  
Connétable of Grouville  
Connétable of St. Brelade  
Deputy R.C. Duhamel (S)  
Deputy of St. Martin  
Deputy G.C.L. Baudains (C)  
Deputy P.N. Troy (B)  
Deputy R.G. Le Hérissier (S)  
Deputy J.B. Fox (H)  
Deputy S.C. Ferguson (B)  
Deputy of St. Ouen  
Deputy P.J.D. Ryan (H)  
Deputy of Grouville  
Deputy of St. Peter  
Deputy J.A. Hilton (H)  
Deputy G.W.J. de Faye (H)  
Deputy P.V.F. Le Claire (H)  
Deputy J.A.N Le Fondré (L)  
Deputy D.W. Mezbourian (L)  
Deputy S.S.P.A. Power (B)  
Deputy A.J.H. Maclean (H)  
Deputy I.J. Gorst (C)  
Deputy of St. Mary

#### **CONTRE: 17**

Senator S. Syvret  
Senator W. Kinnard  
Senator P.F. Routier  
Senator M.E. Vibert  
Senator T.J. Le Main  
Connétable of St. Ouen  
Connétable of St. Saviour  
Connétable of St. John  
Deputy A. Breckon (S)  
Deputy J.J. Huet (H)  
Deputy C.J. Scott Warren (S)  
Deputy J.A. Martin (H)  
Deputy G.P. Southern (H)  
Deputy of Trinity  
Deputy S. Pitman (H)  
Deputy K.C. Lewis (S)  
Deputy of St. John

#### **ABSTAIN: 0**

### 1.1.41 The Greffier of the States (in the Chair):

We will therefore reset the system and we now move to a vote on paragraph 1.2.3. I think we will vote on the introduction to that paragraph which goes, therefore, with (i), so effectively referring to the Dwelling Houses Loans Fund. The Greffier will open the voting. The Members have voted. I will ask the Greffier to close the voting. That sub-paragraph has been adopted; 35 votes were cast in favour and 18 votes against.

#### **POUR: 35**

Senator L. Norman  
Senator F.H. Walker  
Senator T.A.  
Le Sueur

Senator P.F. Routier

Senator M.E. Vibert

Senator P.F.C. Ozouf

Senator F.E. Cohen

Senator J.L. Perchard

Connétable of

St. Martin

Connétable of

St. Mary

Connétable of

St. Peter

Connétable of

St. Clement

Connétable of

St. Helier

Connétable of

Trinity

Connétable of

St. Brelade

Deputy R.C.

Duhamel (S)

Deputy of St. Martin

Deputy G.C.L.

Baudains (C)

Deputy P.N. Troy

(B)

Deputy C.J.

Scott Warren (S)

Deputy R.G.

Le Hérissier (S)

Deputy J.B. Fox (H)

Deputy S.C.

#### **CONTRE: 18**

Senator S. Syvret

Senator W. Kinnard

Senator T.J.

Le Main

Senator B.E.

Shenton

Connétable of

St. Ouen

Connétable of

St. Saviour

Connétable of

St. Lawrence

Connétable of

Grouville

Connétable of

St. John

Deputy A. Breckon

(S)

Deputy J.J. Huet

(H)

Deputy J.A. Martin

(H)

Deputy G.P.

Southern (H)

Deputy of St. Ouen

Deputy J.A. Hilton

(H)

Deputy S.S.P.A.

Power (B)

Deputy S. Pitman

(H)

Deputy of St. John

#### **ABSTAIN: 0**

Ferguson (B)  
 Deputy P.J.D. Ryan  
 (H)  
 Deputy of Grouville  
 Deputy of St. Peter  
 Deputy G.W.J.  
 de Faye (H)  
 Deputy P.V.F.  
 Le Claire (H)  
 Deputy J.A.N.  
 Le Fondré (L)  
 Deputy D.W.  
 Mezbourian (L)  
 Deputy of Trinity  
 Deputy A.J.H.  
 Maclean (H)  
 Deputy K.C. Lewis  
 (S)  
 Deputy I.J. Gorst (C)  
  
 Deputy of St. Mary

#### **1.1.42 The Greffier of the States (in the Chair):**

The next vote, therefore, is on (ii); which refers to the capital receipts from property sales. The Greffier will open the voting. The Members have cast their votes. The Greffier will close the voting. That sub-paragraph has been rejected; 13 votes were cast in favour and 40 votes against.

#### **POUR: 13**

Senator L. Norman  
 Senator J.L. Perchard  
 Connétable of St. Mary  
 Connétable of St. Peter  
 Connétable of St. Clement  
 Connétable of St. Helier  
 Connétable of Trinity  
 Deputy R.C. Duhamel (S)  
 Deputy G.C.L. Baudains (C)  
 Deputy R.G. Le Hérisssier (S)  
 Deputy of St. Ouen  
 Deputy P.J.D. Ryan (H)  
 Deputy of St. Mary

#### **CONTRE: 40**

Senator S. Syvret  
 Senator F.H. Walker  
 Senator W. Kinnard  
 Senator T.A. Le Sueur  
 Senator P.F. Routier  
 Senator M.E. Vibert  
 Senator P.F.C. Ozouf  
 Senator T.J. Le Main  
 Senator B.E. Shenton  
 Senator F.E. Cohen  
 Connétable of St. Martin  
 Connétable of St. Ouen  
 Connétable of St. Saviour  
 Connétable of St. Lawrence  
 Connétable of Grouville  
 Connétable of St. John  
 Connétable of St. Brelade  
 Deputy A. Breckon (S)  
 Deputy J.J. Huet (H)  
 Deputy of St. Martin

#### **ABSTAIN: 0**

Deputy P.N. Troy (B)  
 Deputy C.J. Scott Warren (S)  
 Deputy J.B. Fox (H)  
 Deputy J.A. Martin (H)  
 Deputy G.P. Southern (H)  
 Deputy S.C. Ferguson (B)  
 Deputy of Grouville  
 Deputy of St. Peter  
 Deputy J.A. Hilton (H)  
 Deputy G.W.J. de Faye (H)  
 Deputy P.V.F. Le Claire (H)  
 Deputy J.A.N. Le Fondré (L)  
 Deputy D.W. Mezbourian (L)  
 Deputy of Trinity  
 Deputy S.S.P.A. Power (B)  
 Deputy S. Pitman (H)  
 Deputy A.J.H. Maclean (H)  
 Deputy K.C. Lewis (S)  
 Deputy of St. John  
 Deputy I.J. Gorst (C)

#### **1.1.43 The Greffier of the States (in the Chair):**

We come now to the vote on sub-paragraph (iii); referring to the non-capital element of the changed Programme Efficiency Savings. The Greffier will open the voting. The Members have voted. I ask the Greffier to close the vote. That sub-paragraph has also been rejected; 11 votes were cast in favour and 42 votes against.

#### **POUR: 11**

Senator L. Norman  
 Senator J.L. Perchard  
 Connétable of St. Mary  
 Connétable of St. Peter  
 Connétable of St. Helier  
 Connétable of Trinity  
 Deputy R.C. Duhamel (S)  
 Deputy G.C.L. Baudains (C)  
 Deputy of St. Ouen  
 Deputy P.J.D. Ryan (H)  
 Deputy of St. Mary

#### **CONTRE: 42**

Senator S. Syvret  
 Senator F.H. Walker  
 Senator W. Kinnard  
 Senator T.A. Le Sueur  
 Senator P.F. Routier  
 Senator M.E. Vibert  
 Senator P.F.C. Ozouf  
 Senator T.J. Le Main  
 Senator B.E. Shenton  
 Senator F.E. Cohen  
 Connétable of St. Martin  
 Connétable of St. Ouen  
 Connétable of St. Saviour  
 Connétable of St. Clement  
 Connétable of St. Lawrence  
 Connétable of Grouville  
 Connétable of St. John  
 Connétable of St. Brelade  
 Deputy A. Breckon (S)  
 Deputy J.J. Huet (H)  
 Deputy of St. Martin

#### **ABSTAIN: 0**

Deputy P.N. Troy (B)  
 Deputy C.J. Scott Warren (S)  
 Deputy R.G. Le Hérissier (S)  
 Deputy J.B. Fox (H)  
 Deputy J.A. Martin (H)  
 Deputy G.P. Southern (H)  
 Deputy S.C. Ferguson (B)  
 Deputy of Grouville  
 Deputy of St. Peter  
 Deputy J.A. Hilton (H)  
 Deputy G.W.J. de Faye (H)  
 Deputy P.V.F. Le Claire (H)  
 Deputy J.A.N. Le Fondré (L)  
 Deputy D.W. Mezbourian (L)  
 Deputy of Trinity  
 Deputy S.S.P.A. Power (B)  
 Deputy S. Pitman (H)  
 Deputy A.J.H. Maclean (H)  
 Deputy K.C. Lewis (S)  
 Deputy of St. John  
 Deputy I.J. Gorst (C)

**1.1.44 The Greffier of the States (in the Chair):**

We come finally to the vote on the last part of the amendment which is new action 1.2.4. The Greffier will open the voting. All Members have voted. The Greffier will close the vote. That new action has been adopted; 45 votes were cast in favour and 8 votes against.

**POUR: 45**

Senator L. Norman  
 Senator F.H. Walker  
 Senator W. Kinnard  
 Senator T.A.  
 Le Sueur  
 Senator P.F. Routier  
 Senator M.E. Vibert  
 Senator P.F.C. Ozouf  
 Senator B.E. Shenton  
 Senator F.E. Cohen  
 Senator J.L. Perchard  
 Connétable of  
 St. Martin  
 Connétable of  
 St. Ouen  
 Connétable of

**CONTRE: 8**

Senator S. Syvret  
 Senator T.J.  
 Le Main  
 Deputy A. Breckon  
 (S)  
 Deputy J.J. Huet  
 (H)  
 Deputy J.A. Martin  
 (H)  
 Deputy G.P.  
 Southern (H)  
 Deputy S. Pitman  
 (H)  
 Deputy of St. John

**ABSTAIN: 0**

St. Saviour  
Connétable of  
St. Mary  
Connétable of  
St. Peter  
Connétable of  
St. Clement  
Connétable of  
St. Helier  
Connétable of Trinity  
Connétable of  
St. Lawrence  
Connétable of  
Grouville  
Connétable of  
St. John  
Connétable of  
St. Brelade  
Deputy R.C.  
Duhamel (S)  
Deputy of St. Martin  
Deputy G.C.L.  
Baudains (C)  
Deputy P.N. Troy  
(B)  
Deputy C.J.  
Scott Warren (S)  
Deputy R.G.  
Le Hérissier (S)  
Deputy J.B. Fox (H)  
Deputy S.C.  
Ferguson (B)  
Deputy of St. Ouen  
Deputy P.J.D. Ryan  
(H)  
Deputy of Grouville  
Deputy of St. Peter  
Deputy J.A. Hilton  
(H)  
Deputy G.W.J.  
de Faye (H)  
Deputy P.V.F.  
Le Claire (H)  
Deputy J.A.N.  
Le Fondré (L)  
Deputy D.W.  
Mezbourian (L)  
Deputy of Trinity  
Deputy S.S.P.A.  
Power (B)

Deputy A.J.H.  
Maclean (H)  
Deputy K.C. Lewis  
(S)

Deputy I.J. Gorst (C)  
Deputy of St. Mary

## **1.2 The Greffier of the States (in the Chair):**

The Assembly now reverts to the order; following from where yesterday's debates concluded, which means the Assembly moves on the Running Order to 25, the 19th amendment for the Council of Ministers. This is one of the amendments of the Council in green. May we take it that Members are content that this is taken as proposed by the Chief Minister? Very well. We can therefore move to the next item; the 17th amendment, in the name of the Connétable of St. Helier, concerning regulatory services. You are content they are taken as read, Connétable, and you wish therefore to make the proposition?

### **1.2.1 The Connétable of St. Helier:**

Members will not need much trouble in guessing where this particular amendment came from. We have probably all got examples of how sometimes regulatory services seem a bit inappropriate, not to say a bit over the top. Events in a certain visiting French market in the Royal Square certainly made some members of the public think that as well. The amendment is being accepted by the Council of Ministers, apart from the inclusion of the word "independent". What I am seeking, as Members will know, is that the States looks at the whole range of regulatory services that we provide and considers how, in particular, working with Guernsey might not enable us to deliver those services with more cost-effectiveness and with more impartiality. I think this amendment deserves slightly more than, once again, a slightly grudging acceptance from the Council of Ministers. It is the only amendment, I think, in the Strategic Plan which talks about working more closely with Guernsey and I think it is high time we took that on board. What I am hoping is that if this proposal is taken seriously we may well avoid the concerns flagged up by the Council of Ministers in their report. They say at the level of a nation state it may be perfectly reasonable to establish a wide range of independent regulatory agencies but in a small island with limited resources, such a move would be both expensive and, of questionable benefit. The whole point of the amendment is that we are going to work with Guernsey. We will not just be a small island, we will be a nation state of the Channel Islands delivering regulatory services that, hopefully, can cover both Bailiwicks. I think we often talk about Jersey as a small nation state. It is funny that when I make this proposition, that idea is somehow put on the shelf. However, I do not want to prolong the debate by hanging out for the word 'independent'. I put the word 'impartial' in there, which I think is enough. I believe that there are examples; I am not going to go into them now, but there are examples of regulation in this Island, which has not been impartial and has not been free of political interference, but we do not need to have a debate about it. I am quite happy to say this amendment as it is, I think, will be potentially of enormous value to both bailiwicks and I therefore want to propose it and indicate that I am happy to accept the Council of Ministers' amendment to it. Thank you, Sir.

### **The Greffier of the States (in the Chair):**

Is the amendment seconded? **[Seconded]** As the Connétable has said, there is an amendment in the name of the Council of Ministers. We will ask the Greffier to read that amendment.

**The Deputy Greffier of the States:**

“In the proposed new outcome 2.4, (a) in outcome 2.4, delete the word ‘independently’ and (b) in action 2.4.1, delete the word ‘independent’.”

**1.2.2. The Greffier of the States (in the Chair):**

The Connétable has indicated he is accepting the amendment. Do you wish to add anything?

**1.2.3 Senator F.H. Walker:**

No, Sir. Senator Syvret is down to act as rapporteur for the Council of Ministers on this amendment.

**1.2.4 Senator S. Syvret:**

Briefly, Sir, because the Connétable has admitted -- sorry, **[Laughter]** has accepted the amendment. I was rather intrigued to hear his claim that there has been political interference in regulation. Certainly, I am not aware of any such interference although I can certainly think of a few political interventions against regulation; one relating to a former public convenience but now a café not very far from here, down the road. But, the idea of creating a completely independent set of functions for regulation would be, indeed, expensive and bureaucratic. It would involve the duplication of staff, staff skills and resources and it simply is not practical and I am glad that the Connétable accepts that. The Council of Ministers is very happy to ensure that there are appropriate and impartial regulatory functions in place for Islanders.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? Does any Member wish to speak?

**1.2.5 Senator F.H. Walker:**

Sir, I hope I did not speak when I said that Senator Syvret would act as rapporteur. Just to very briefly confirm one of the points referred to by the Connétable; the Council of Ministers is extremely keen on working together with our colleagues in Guernsey and I have in fact been pressing for a meeting with the Policy Council in Guernsey since January. I am delighted to say that hopefully we will be holding one in July, that we have a provisional date and I am hopeful that that will indeed go ahead.

**The Greffier of the States (in the Chair):**

I put the amendment to the Council of Ministers. Those Members in favour of adopting it, kindly show. Any against? The amendment to the amendment is adopted. Does any Member wish to speak on the amendment as amended? Very well, I put the amendment - those Members in favour of adopting it, kindly show. Any against? The amendment is adopted as amended. We come next to a further amendment by the Connétable of St. Helier. The first part of the fifth amendment, so I ask the Greffier to read that amendment.

### **1.3 The Deputy Greffier of the States:**

“After the word ‘appendix’ insert the words ‘accept that’ (1) in commitment 2, outcome 2.6 in action 2.6.1 after the words ‘access to affordable’, insert the words ‘and equitable’.”

#### **1.3.1 The Connétable of St. Helier:**

This amendment has also been accepted; it has also been accepted grudgingly. My speech will be short for that reason, short but critical. This morning, Sir, I was en défaut at the start of the session. That was because I take my 4 year-old to a day nursery up Trinity Hill. I have been doing it for 4 years; it is the only exercise I get because I do it on foot most of the time. I will be ceasing that in a few weeks’ time because, come September, my 4 year-old will be joining her sister at primary school. I belong, Sir, to a cohort; a large group of Islanders whose experience of having a new young family has been, I will not say “spoilt”, I will say affected financially, by the shocking failure of the Minister, and then President, to do more than make mealy mouthed promises to do something about a situation that has been going on for as long as he has been in charge of the Education Department. Is that too harsh? Well, I read from a *Jersey Evening Post*, dated 24th January this year, where the Minister is quoted as saying: “I hope to be discussing this with the Council of Ministers in the next few months, said the Senator.” At the end of the article: “We hope to get this resolved in the next few months.” Then, on Tuesday, a collection of parents and nursery school teachers and nursery school providers in the Royal Square, who greeted us when we arrived for the States and the Minister is quoted as saying, or it is in reported speech: “Education have said they do not have the money to fund the proposals, although Education Minister, Mike Vibert, has said he will be willing to work with parents to reach a solution.” Well, I am sorry, that is mealy mouthed, that is 6 years too late. If Members want further proof of that, they should turn to the letter written to us by a former Deputy of this House, the then Deputy Jennifer Bridge. She says in her covering letter: “Throughout my 6 years as a States Member, I lobbied Employment and Social Security, Education, Sports and Culture and Finance and Economics to no avail on the issue of equity and childcare, revision of benefits and childcare tax relief.” Indeed, I have been asking questions since the beginning of the year in the States to try to get to the bottom of this inertia on the part of the Minister. I asked a question about meetings that took place way back in 2004. Meetings were held in the town hall - we had more people at that meeting than we had at the Rates Assembly and that is saying something for St. Helier - on 13th of July. On 22nd September there was another meeting, again, very well attended, in the town hall. The Minister confirmed that 3 members of the former Committee and 3 officers attended that meeting, including Senator Michael Vibert and Deputy Ben Fox, now his Assistant Minister. So, they really cannot say they do not know that there is a problem. They really cannot say that. I think what really takes the biscuit, if you like, is that, despite all of this consultation, despite the Investing in our Future, the document that was released last year and which promised the closing date for consultation on 30th September: “All responses received will help in the formation of more detailed options for the future, which will be published later this year” none of those people were ever communicated with and they are still waiting. They are still waiting, 9 months on, for a response from the Department. Sir, I believe this is a shocking failure to deliver to the public and it seems to me that of course it is really too late. For most of the people who were out there in the Royal Square on Tuesday, it really does not matter whether the Council of Ministers finally gets their act together and addresses this inequity, because most of those parents have been short-changed; their children, like mine, have now gone on to primary school and there is no hope for them. I think that is a very poor situation; we are now half way through the year. We have been promised a report. We have been promised that the Minister would take it to the Council of Ministers in the first half of

this year and I really do wonder how the Minister sleeps at night over this issue or how he sleeps on those long haul flights. **[Members: Oh!]** So, it is true that the Council of Ministers have accepted this amendment, as I say, their comments are pretty grudging; we have 6 whole lines in the comments. To make matters worse, they say they accept the amendment and then they say in a second line: “It does not accept that adopting the amendment will have the implications for the existing policy suggested in the accompanying report to the amendment.” In other words: “Oh, we are going to accept if it will not make any difference, we are just going to carry on.” Of course, that is exactly what the questions I have been asking the States have revealed; the most shocking thing about this situation is that in February this year, the Minister signed off the order for another free nursery facility in St. Peter. That for me was the nadir; that was the lowest point in my investigation into these issues. At the very least, a Minister with a little more sensitivity, and a little more awareness of how many parents out there are concerned, would have held back from signing off another free States’ nursery facility. I think, back then in February, really serious questions should have been asked about this Minister’s ability to deliver on Early Years care and education and I think that question is still looming. So, yes Sir, I am delighted that the Council of Ministers accept this amendment, I am not sure what will come out of it; I am not sure when it will appear but I make the amendment nonetheless.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? **[Seconded]**

**1.3.2 Senator S. Syvret:**

I just think it is worth observing, given that the Council of Ministers are accepting this amendment, and we do have an awful lot still to get through, I am not sure that speech was especially helpful in terms of reducing the amount of time we are going to be here, probably some days yet. I also have to observe, and I am sure it will not be lost on members of the public listening to this debate, that the kind of investment in Early Years education, and other such facilities, which the Connétable so strenuously seeks to fight for, requires, of course, money. This is the same Connétable who, not half an hour ago, was grandstanding and voting against the Council of Ministers in favour of the Corporate Service’s plan to hack into public sector expenditure. Now, this is another example of the kind of inconsistency that States Members so often display. You really cannot have it both ways. If you want the kind of public services to be available to people in the community, that many people rightly expect, then we have to pay for them. You simply cannot have it both ways.

**1.3.3 Senator M.E. Vibert (Minister for Education, Sport and Culture):**

The word ‘hypocritical’ did spring to mind rather bluntly when I heard the Connétable of St. Helier give a completely unwarranted attack. Of course, as usual, an uninformed attack, proving yet again that, despite the fact that he said he submitted a submission to R.C.54, which was ‘Investing in our future vision for early childhood education and care for children’, he displayed quite blatantly that he had never even read it. Because in that vision it quite clearly states, this is the difficult thing, within 3 years, which would take us to 2008, 2009, the Early Years issue I am glad the Connétable, with his usual accuracy, thinks I have been President of Education or involved in education for 6 years rather than the 4 years or 3½ years it is, had never mentioned this to me prior to my raising this whole issue and bringing forth a paper on it. It is a very difficult issue to resolve. It is certainly not an issue we are going to resolve without putting more public money into it. If we are going to provide Early Years -

subsidised Early Years education and care - and I mean Early Years education and care, not child minding, the States will have to realise that is a commitment it will have to meet. I regret the Connétable's attack on our brilliant States' nursery classes attached to primary schools, which those children and parents of children who attend there, and they are over-subscribed, pay tribute to them. They are the only facilities in the Island that provide early childhood education. I would like to see more and it was my vision to work with the private sector and the non-profit making sectors to provide this. I regret it has taken as long as it has taken. I regret we could not come back as quickly to the consultation, but we are still well within the timescale in the document that we put out because it is not an easy issue to resolve. I would like to inform the Connétable, Sir, that one thing it will not resolve, it will not bail out his 2 parish nurseries, which I understand this year will be costing the ratepayers of St. Helier something like £90,000 a year in overspends. It will not do that. What I want to bring forward a vision and a policy to do, is to provide high quality, early education and childcare to all the children of the Island; by denying the children near St. Peter's school in the catchment area that access to high quality education and childcare is doing them a disservice and the parents of St. Peter a disservice. At the moment, through States' agreed policy - a policy agreed long before I was a Member of the States - the States existing policy is to provide free nursery classes, at each primary school in the Island, as they are redeveloped. It started a long time ago - it was reaffirmed by the States in 1989. I am sorry, Sir, that I am addressing this issue because I do not think it has anything to do with the amendment brought forward by the Connétable, but the Connétable did attack the system, and me, and he is, as usual, totally and utterly wrong but it does not seem to bother him. He does not base these attacks on any evidence, just on what best suits him, Sir. I hope that Members will regard what the Connétable says with the disdain it should be regarded with. Cut spending but spend more. It is nonsense, abject nonsense. Strangely enough, I will be supporting the adjusted amendment because I believe we should look at our regulatory regimes. I believe we should run them as efficiently as possible. What we should not do, as States' Members, we should be more responsible than making unwarranted attacks on parts of our system, which deliver very good early education and care, under the guise of something else. I deplore the attitude and attempts to denigrate our nursery classes by the Connétable, Sir.

#### **1.3.4 Deputy P.V.F. Le Claire:**

Sir, as I am a Member not on the Executive and as I am a Member not on the Scrutiny Panels, could I please urge all Members to put aside this type of debate. It does not do us any good at all. **[Applause]** I ask us all to bear in mind that while we recognise there are issues, we are not going to get anything solved by making speeches and having to respond to issues that are difficult in this way. I have learnt the hard way, Sir. I have changed, yes, I have learnt the hard way **[Laughter]** and I would not recommend it to anybody either. It does not get much done. It does not get you much respect, either. It is painful. It is stressful. It does not produce results. I have achieved much more in the last 6 months by being willing to work independently and vote independently than I have achieved in the last 6 years. Could I please ask Members to keep to the debate and to support the Ministers in their work, in finding solutions to the problems rather than bickering like this? It does not do anybody any good.

#### **1.3.5 Deputy J.B. Fox.**

Can I just ask a point of clarification? I think my Minister said all that is necessary at the time on this, but when I had the revised transport policy, I had to declare an interest because I

travelled on the seaways. Would it be right that the Connétable should be declaring an interest, as he has just told us, that his 2 children go to a non States' funded nursery?

**The Connétable of St. Helier:**

No, I regret to say through the Chair, Sir, no, it will not. Because by the time equity is ever introduced it will be far too late for my children.

**The Greffier of the States (in the Chair):**

Even if a declaration were made, it would not preclude the Connétable from bringing this forward and I think he did make it clear that he -

**Deputy J.B. Fox:**

No, I was not questioning that.

**1.3.6 Deputy C.J. Scott Warren:**

Well, the current situation is obviously inequitable. That is, it is totally unfair. I believe it has to be remedied as quickly as possible. I am unhappy about hearing about 2008 because we do have wealthy parents getting free child nursery education provision at the moment and other families, some having great difficulty, finding the money to pay for private nursery care provision. This is why because it is inequitable, and we saw the demonstration and people feel very strongly and have done for a long time now, that I will be supporting this amendment. Thank you.

**1.3.7 Deputy P.N. Troy:**

I wondered whether the Connétable and Senator Vibert might be able to get together and talk through the issue. **[Interruption]** I do not know whether anything can be achieved by September because there will be new intake of young people going in to school, and by September there will be a new intake coming in to this type of facility, and I wonder if they could get together and sort out their differences and try and move this on as speedily as possible, if that is the case.

**Senator S. Syvret:**

Sir, I have a couple of pairs of boxing gloves, which I would happily lend to the 2 Members. **[Laughter]**

**The Connétable of St. Helier:**

I can say we are great friends outside the Chamber. **[Laughter]**

**Senator M.E. Vibert:**

I welcome the news, Sir. **[Laughter]**

**1.3.8 The Connétable of St. Helier:**

Senator Syvret started off by pointing out the fact that I wanted to spend less but now I am asking for more money. I think if he had looked at the last paragraph of the report he would have seen, which we have to state, financial implications. I said that the financial implications, were it to be successful, would require the Minister, at the very least, to redistribute the revenue funding that is currently being expended in Early Years' teaching and

care, by way of a means-tested subsidy to all parents and guardians of pre-school children. Were this mechanism to be adopted, the implications would be neutral. I think what upsets so many of the parents that I have been talking to, is that this is not happening. It does not have to have a huge revenue budget; we could get equity with existing money and we could get that very soon. We certainly should not be waiting as long as we are. Senator Vibert, well fair enough, I was quite fruity in my speech and he was equally fruity back. I do need to pick up on a couple of things he said: he said my involvement only started this year. Well, I did very consciously take up the baton from the previous Deputy Bridge, who was certainly leading this when she was in the States. I think I have taken on her frustration that, in all her time in the States, she managed to get so little apparent progress. So that is why I have only been asking questions since the beginning of the year. He talks about the care provided by private nurseries as child minding. I think that is grossly, grossly unfair. It is not child minding.

**Senator M.E. Vibert:**

I did not say that.

**The Connétable of St. Helier:**

Well, that was the inference and, I am sorry, that is I think the message that many private nursery providers will have taken from this. The Department is always trying to show that there is a huge chasm between what is provided in nurseries and what is provided in the States' provided nurseries. I have been to both and the difference is not that great. I would say should a 3 year-old be being drilled by primary school teachers, anyway? Should there not be an element of care in there as well as education? I certainly did not indulge in an attack on States' nursery classes; I have visited them and I have a high regard for what they do. I know that what they do is very similar to what is done in many of the best private nurseries. He then, I think, got a little personal when he said that the parish nurseries, which of course I am accountable for to the ratepayers, have overspends this year and that I am seeking someone to bail out the ratepayers. Well, the overspends that the parish nurseries and, indeed, that many nurseries are suffering, are precisely because of the benighted policy being run by the Education Department. We are losing our rising 3 year-olds to these free nurseries and we can no longer cross-subsidise the expensive classes for the babies, as they are called. So, I think that really is a bit rich. Nurseries have gone out of business in Jersey because of the policy being run by the Department. So, for him to turn to me and say: "Your fees are going up because you are over-spending", our fees have gone up because our staff costs are high and we cannot cross-subsidise the expensive classes with the 3 year-olds because they will have gone away to the free classes provided by the States. The Senator knows I am right. I am afraid if I am wrong, as he says I am, then all the people in the Royal Square on Tuesday are also wrong and the members of the Parents' Action Group are wrong; the 250 people who came into the town hall in 2004 to complain to the Department are wrong. Well, I do not think that is the case and I will leave Members to make up their own minds about that. I now move on to Deputy Le Claire who urged us to be reconciled, as did Deputy Troy who wants us to talk through the issues; well I know that the Jersey Early Years Association, and the Parents Action Group, are desperate to talk to the Department, and the Minister, and they are desperate for some action as well. They do not just want talk they want action. I think on that constructive suggestion, I will maintain the amendment. Thank you, Sir.

**1.3.9 The Greffier of the States (in the Chair):**

The Appel is called for. Members are in their designated seats. I ask the Greffier to open the voting on the amendment. All Members wishing to vote have done so. I ask the Greffier to

close the voting. The amendment has been adopted. There are 48 votes in favour and no votes against.

**POUR: 48**

**CONTRE: 0**

**ABSTAIN: 0**

Senator S. Syvret  
Senator L. Norman  
Senator F.H. Walker  
Senator W. Kinnard  
Senator T.A. Le Sueur  
Senator P.F. Routier  
Senator M.E. Vibert  
Senator T.J. Le Main  
Senator B.E. Shenton  
Senator J.L. Perchard  
Connétable of St. Martin  
Connétable of St. Saviour  
Connétable of St. Mary  
Connétable of St. Peter  
Connétable of St. Clement  
Connétable of St. Helier  
Connétable of Trinity  
Connétable of St. Lawrence  
Connétable of Grouville  
Connétable of St. John  
Connétable of St. Brelade  
Deputy R.C. Duhamel (S)  
Deputy A. Breckon (S)  
Deputy of St. Martin  
Deputy G.C.L. Baudains (C)  
Deputy P.N. Troy (B)  
Deputy C.J. Scott Warren (S)  
Deputy R.G. Le Hérissier (S)  
Deputy J.B. Fox (H)  
Deputy J.A. Martin (H)  
Deputy G.P. Southern (H)  
Deputy S.C. Ferguson (B)  
Deputy of St. Ouen  
Deputy of Grouville  
Deputy of St. Peter  
Deputy J.A. Hilton (H)  
Deputy G.W.J. de Faye (H)  
Deputy P.V.F. Le Claire (H)  
Deputy J.A.N. Le Fondré (L)  
Deputy D.W. Mezbourian (L)  
Deputy of Trinity  
Deputy S.S.P.A. Power (B)  
Deputy S. Pitman (H)  
Deputy A.J.H. Maclean (H)  
Deputy K.C. Lewis (S)  
Deputy of St. John

Deputy I.J. Gorst (C)  
Deputy of St. Mary

**Senator S. Syvret:**

Shall I propose the adjournment, Sir?

**The Greffier of the States (in the Chair):**

Yes, very well, the Assembly stands adjourned and I would remind Members, till 2.15 p.m., remind Members you agreed to sit till 6.30 p.m., if necessary.

## LUNCHTIME ADJOURNMENT

### 1.4 The Greffier of the States (in the Chair):

Just before we resume the debates on the strategic plan amendments, just 2 matters to bring to Members' attention concerning voting: firstly, Senator Le Main this morning raised a query about the report in the JEP about the amendment. I think you have already been notified, Senator, by the Deputy Greffier, just to confirm to Members that certainly the official record is perfectly accurate: 25 votes were cast for, 26 against and you are recorded correctly as voting contre I think, which is something you need to take up with the editor of the *JEP*, not the official records of the States [**Laughter**]. On a second matter concerning voting, I report to Members that there was unfortunately a very minor, intermittent error with the electronic voting system when we were switching it on the last 2 days. Although it has been operating perfectly correctly and properly during the sittings, we took the precaution of asking the engineer to look at it at lunchtime and, as unfortunately sometimes happens with technology, the fact of the engineer looking at it has unfortunately made it totally unoperational. [**Laughter**] Standing order 93 does refer to this eventuality, which was foresight on the part of the PPC (Privileges and Procedures Committee), when bringing forward the Standing Orders. It says that if the electronic voting system is unavailable, Members have 2 choices; a recorded vote can be taken either by what is described as an open ballot or by the traditional Appel, as previously for those Members who were in the States before the introduction of electronic voting. Just to describe: the open ballot is effectively a system designed to ensure that the secrecy and privacy of the electronic voting is respected. What would happen in an open ballot is papers would be distributed but Members would write 2 things on the paper: one, they would write their own name and their vote so that the result can be made public if necessary. That is why it is called an open ballot and not a secret ballot. But, it obviously does maintain the notion of a simultaneous and secret vote for Members as they cast their vote. So, when we come - if we do - this afternoon, need to take an Appel, then I will look to the Assembly for guidance as to which form of voting we could use. I am sure that the engineers are hopeful it will be working again by next Tuesday. So, hopefully it will just be one afternoon. Very well, we resume the debate on the Strategic Plan. We have reached number 29 on the order of amendments. The next amendment is one in green from the Council of Ministers concerning youth facilities and youth work. May we take it the Members are content for that one to be taken as proposed by the Chief Minister? Very well, we come now to an amendment, the second part of the fifth amendment in the name of the Connétable of St. Helier. I ask the Greffier to read the amendment.

**The Deputy Greffier:**

“After the word ‘appendix’ insert the words ‘accept that’, 2 in commitment 2, outcome 2.7 after the existing indicator, insert the following additional indicator, ‘increased numbers of

speakers of Jèrriais and increased protection of Jèrriais under the European Charter for regional and minority languages’ and after action 2.73, insert the following action: 2.74, in 2006, ‘To investigate the feasibility of adopting Jèrriais as the Island’s official minority language and work with the Société Jersiaise, Le Don Balleine and L’Assemblée d’Jèrriais to revive the language of Jèrriais.’”

#### **1.4.1 Deputy C.J. Scott Warren:**

I think at this stage, I should declare an interest in that my husband is co-ordinator of the Jersey French Teaching Programme but I am assured there is no financial gain for me at all from this amendment. Thank you.

#### **The Greffier of the States (in the Chair):**

Very well, it will be noted, Deputy.

#### **1.4.2 The Connétable of St. Helier:**

I begin with 2 apologies: firstly, for being unable to make a single part of this proposition in Jèrriais and, secondly, for having plagiarised the cultural strategy but I did own up to that in my report. All I am seeking to do is, to take a commitment made in the cultural strategy and place it in the Strategic Plan because I think the Island’s minority language is important enough to give it that priority. I will however make my own commitment and that is: I have already mentioned to the staff at L’Office du Jèrriais that it is high time I joined that diminishing number of Connétales who can speak Jèrriais. Perhaps one of these days our meetings could once again be conducted in Jèrriais. I am aware that there is an amendment from the Council of Ministers and I propose to reserve my major arguments until that time, so I make the amendment.

#### **1.4.3 The Greffier of the States (in the Chair):**

Is the amendment seconded? Now there is an amendment in the name of the Council of Ministers. I will ask the Deputy Greffier to read that amendment to the amendment.

#### **The Deputy Greffier:**

“In amendment 2 in the proposed additional indicator, delete the words ‘and increase protection of Jèrriais under the *European Charter for Regional and Minority Languages*’.”

#### **1.4.4 Senator T.A. Le Sueur:**

I ask for the Deputy of Grouville to act as Rapporteur on behalf of the Council, of Ministers.

#### **1.4.5 Deputy C.F. Labey of Grouville:**

I would like to, firstly, start to try the patience of the House a bit. I would like to just start with a brief history lesson as to what Victor Hugo said about our language when he wrote to the Jersey poet and historian, John Sullivan, in which he described Jèrriais as: “Cette précieuse langue locale.” 142 years later Jèrriais remains, as Victor Hugo wrote, precious, local and our language. It is the language that has evolved from Latin. It received a Nordic spin from the Norsemen who founded the Duchy of Normandy and developed into a unique linguistic expression of a community between the mainland of Normandy and the Anglo-

Saxon of the Duke's northern kingdom. It is local because it has developed and evolved with the history and the people of Jersey. As is traditionally said, it is one of "tres langues" the 3 languages; English, French and Jèrriais. If English is the language of commerce that has come to dominate and French, the formerly dominant language of the Church, the Courts and the States, then Jèrriais is the language in which the Island's poetry, stories, scandals and beliefs have been written. It is the language of satire and swear words, lullabies and laughs and so much of our history is written and recorded only in Jèrriais. We walk history when we walk along the streets named in Jersey French. Nowadays, through the opportunities of technology, thousands of items of old Jersey French literature have been made widely available on the internet, making what is local accessible to people worldwide and people of Jersey ancestry wanting to know the language of their forebears, as well as researchers, readers and merely the inquisitive. Jèrriais is precious because it is unique to Jersey; its literature and the knowledge it conveys are to be found nowhere else. Jèrriais is precious because it is a treasure of information and a symbol of Jersey's independent identity in the present and something to value in the future. If the States do not lead by example and show how precious we, as a self-governing community, believe our linguistic heritage is, then no one else is going to lead and support it for us. That having been said, as Assistant Minister with responsibility for culture, I find the Connétable of St. Helier's amendment to include 2.7.4 plausible and I think it should be inserted into the plan. Obviously, I am going to say that because, as the Connétable alluded to, the amendment is taken directly from the cultural strategy, objective number 1.9. It says: "To investigate the feasibility of adopting Jèrriais as one of the Island's minority languages and to work with the Société Jersiaise, Le Don Balleine and L'Assemblée d'Jèrriais to revive the language of Jèrriais, which is what the Connétable wants put into the Strategic Plan. If Members would care to turn to page 9 in the Strategic Plan under the heading "Existing Priorities", included in the list of strategies to be implemented as a priority, is the cultural strategy. So, what the Connétable is asking in this amendment, is that we approve this particular clause again. He claims by doing so, we will ensure vital parts of our cultural heritage are given the importance it deserves. I would respectfully suggest that had he not been absent from the Assembly, when the cultural strategy was debated and approved last September, he would have had the opportunity of voting and marking his support to this objective then. But, by choosing to single out this one particular aim, he is, in effect, trying to give greater priority to all the other very worthy aims and objectives in the cultural strategy. In the Connétable of St. Helier's amendment, he also wishes to have increased protection of Jèrriais under the *European Charter for Regional and Minority Languages*, which I absolutely agree with and can assure him that this will be actively investigated just as soon as I have some assistance in the Education, Sport and Culture Department, which I notice in his report he is suggesting that we do away with some of the assistance in the Department to help pay for this. We have to be clear as to which sections we want to adopt. Unfortunately, the Connétable adds no further details to his amendment. Had he done so, this might have furthered the debate and might have proved a debate worth having, for there are various sections under the European Charter which we could choose to register Jèrriais as an official minority language. If we were to register under section 2, for example, we would need to base policies, legislation and practice on the principles of recognising, promoting and encouraging the use of Jèrriais to preserve and safeguard the language. Section 3 is more demanding but we would qualify for much of that at the present time. Section 4 requires absolutely everything we produce to be translated into Jèrriais. [Aside] Needless to say, this would have astronomical cost. The Government of the Isle of Man has asked the UK Government to ratify the European Charter on its behalf, in respect of section 2, with the declared intention to proceed to ratify section 3 in the fullness of time. If this is what the Connétable has in mind, because this is the sort of detail that we need to have in a discussion instead of just being

asked to sign up to the rather vague and woolly indicators set out in the Connétable's amendment. It is true that just because a language is precious it does not necessarily mean that supporting and promoting it need be costly. The States could resolve to use Jèrriais visibly and publicly when there is no extra cost involved, for example, when updating websites, when updating signage, letterheads, logos and titles. The States does not necessarily need to ratify the European Charter to demonstrate a commitment to supporting and promoting the language, but we do need clarity and that is what is lacking in the Connétable's amendment. The Connétable's amendment: in his response, I would like him to specify exactly which sections, so that we have some idea of cost and we can further this debate or take it forward. Instead, what he is really doing is reiterating something we have already agreed to do last September and singles out one of the many worthy objectives of the cultural strategy in this Strategic Plan, therefore, by dint of that, gives it priority over the others. Thank you, Sir.

**The Greffier of the States (in the Chair):**

The amendment to the amendment to delete the words is therefore proposed and seconded? **[Seconded]** Does anyone wish to speak? Connétable of St. Helier.

**1.4.6 The Connétable of St. Helier:**

I enjoyed the Assistant Minister's opening remarks about Jèrriais, its importance and where it has come from but I got a bit mystified as she went on to give the reasons for the Council of Ministers deciding to seek to oppose the addition of the phrase: "Increased protection of Jèrriais under the *European Charter for Regional and Minority Languages*." There appear to be 2 grounds for saying this, possibly 3. The first one seems to be the main one, which is that the Council of Ministers and particularly the Minister for Education, Sport and Culture do not want to see greater priority put on one particular aspect of the cultural strategy. The Assistant Minister feels this will be the outcome of approving the amendment, not amended by the Council of Ministers. I would say: "Well, yes, that is the whole point." The whole point of having taken this particular item out of the cultural strategy and putting it in its own box, if you like, in the strategic policy of the States, is exactly that: to say that the development of Jèrriais, the protection of Jèrriais, is more important than many of the other objectives in the cultural strategy, all of which will be delivered in due course when the new officer takes his post in the autumn and the Council for Culture is formed. So, I hold my hand up and say: "Yes, there is no hidden agenda there." That is definitely what I am seeking to do, is to give Jèrriais the increased promotion and protection that I believe it deserves. She did allude to the fact that I was not here for the cultural strategy and, as it was only passed by 4 votes, perhaps it is just as well. I was making a long haul flight of my own at the time. **[Members: Oh!]** Well, I am honest enough to admit it. **[Aside]** Now, the second reason for accepting the amendment is, we are told, one of resources. I suggested in my financial manpower statement, that more resources can be devoted to Jèrriais through a proportionate reduction in administrative posts in the Department of Education, Sport and Culture and that the implications are therefore neutral. Now, that is clearly one way Jèrriais can get more protection. Since drafting this amendment, and I did speak to L'Office du Jèrriais before I drafted it, but since drafting it they have come to me and said: "Well, we are practically there anyway in terms of section 2 ratification. It is not resource hungry; we can tick most of the boxes." So, I do not think the resource issue should hold us up from giving Jèrriais the protection that, for example, Manx enjoys. We have to remember that we are now a member of the British Irish Council; a meeting took place relatively recently where members representing the different languages were over here in Jersey for some kind of conference organised by L'Office du Jèrriais. I met with many of the representatives because they had

one of their meetings in the town hall. It was there that I was struck that since the departure of former Senator Jean Le Maistre, that there perhaps is not enough of a promotion of Jèrriais in the States. I spoke to them at the time about whether they felt more needed to done. So, I have taken advice from staff in L'Office du Jèrriais. Of course, we also have the benefit of their report, which was tabled back in August last year by the Education, Sport and Culture Committee and the title is *Jèrriais Provision in Jersey Schools*. What that says, quite interestingly, under the subject, it is the last paragraph and it says - and this is the people at the sharp end, the people at the chalk face saying this, who are teaching Jèrriais: "L'Office du Jèrriais has been active in promoting the concept of protecting Jèrriais under the *European Charter for Regional and Minority Languages*. The Charter has been ratified by the UK in respect of Welsh, Gaelic and Scots, Ulster Scots and Cornish and it has also been extended to cover Manx. We continue to believe that there is a need for Jersey to ratify part 2 of the Charter for Jèrriais. This part of the Charter does not require the translation of States or Court proceedings into Jèrriais and signing it would help to raise the status of the language." Now, that is a statement given to us by the Department last summer. It does seem to me to really suggest that the Council of Ministers are wasting their time in opposing the amendment I have attempted to bring, or attempting perhaps to water it down by removing that phrase to do with protection. The staff at the sharp end want it - they say it is not resource hungry - so what is the problem in having it? This is the point I would make. I have been given some more detailed comments by one of the Jèrriais teachers who describes it as: "A handy cut out and keep FAQ" or frequently answered questions. I will just briefly run through some of the FAQs that he gives: "Does Jèrriais qualify for protection as a regional and minority language under the Charter?" is the question. Yes, in the same way as the Isle of Man has ratified for Manx and the French attempted to ratify for mainland Norman. "Will the States have to translate everything into Jèrriais?" No, the Charter does not oblige ratifying States to use a single word of any regional or minority language. It does require them to permit individuals to use the language in their private and public life, to encourage and promote the use of regional and minority languages and to monitor and report periodically on measures taken. "Will it be expensive?" No, measures already in place fulfil the requirements of a section 2 ratification, not counting monitoring and reporting. For the requirements of the section 3 ratification, it is argued that enough paragraphs are already complied with to satisfy the minimum requirement or merely require a declaration without extra expense. So, this teacher is saying we could go to section 3 if we wanted to. It is suggested that Jersey should follow the Manx lead in ratifying section 2 only, with the stated intention of a further ratification for section 3 following further language planning and development. So, it seems to me, Sir, that the report we had last summer suggests that L'Office du Jèrriais want this protection, the staff at the sharp end want the extra protection, it is in the cultural strategy, I simply attempted to lift it up into the Strategic Plan to give it, I believe Sir, the protection it should have and I would therefore ask Members to oppose the amendment of the Council of Ministers.

#### **1.4.7 The Deputy of St. John:**

I would just perhaps like the Connétable, maybe when he sums up, to clarify something: under the obligations of the European Charter, my understanding of that is, and it is certainly seems to the Council of Ministers, that things such as signposts on the roads had to be put in Jèrriais, as they have been in Wales and other places. Obviously, there is a lot of cost to that and other things too. You mentioned government papers, and so on, would not have to be, but presumably there are those things that may be. Having said that, I was fortunate enough last night to sit next to Mr. Scott Warren and he was telling me that was not the case and that it would not have that much of an expense. I would like that clarified though, because at the

moment I am unclear. Also, I have my own concerns about the number of Ministers with a post at Education but at the moment I do not see any proof that the reallocation of resources can be achieved. I would like to find out more about that. Also, and I am sure many of you would feel the same, I would not like to see other subjects in schools that are perhaps, in my opinion and in the opinion of many others, are far more important than Jèrriais, being compromised. I would like some reassurance of that before this amendment was approved. But generally, in principle, I am in principle of preserving this ancient language but we do not want to compromise other, more important issues. Thank you, Sir.

#### 1.4.8 Senator M.E. Vibert:

Merci, Si jé d'vis'sais en Jèrriais, y'éthait sans doute deux-trais membres des États tchi s'saient acouo pus enhèrmelés dans man discours qué d'couôteunme. À seule fin d'lus faithe pliaîsi, j'm'en vais don angliâchi. **[Aside]** I would like to thank L'Office du Jèrriais for tutoring me. **[Laughter]** The translation is: "If I were to speak in Jèrriais there would be no doubt a couple of States Members who would be even more entangled in my speech than usual. So, as to please them I am going to speak English". I think that my good friend, the Connétable of St. Helier, and I are not a million miles away from each other on this; we both support Jèrriais, we both want to see that support. I am just a little more cautious than he is in that we say in what we are going to do, we are going to investigate with all the relevant people, *Le Don Balleine*, etc, about signing up to this protection. Because, and I am sure the Connétable has got it with him, the 12 pages of *the European Charter for Regional and Minority Languages*, of course along with the 22 pages of the explanatory notes. To give Members some idea - and I look forward to the Connétable explaining it all to me - under the Article undertakings, to give some idea of the complexity of it, there are just 2 Articles under the undertakings: "One, each party undertakes to apply the provisions of part 2 to all the regional or minority languages spoken within its territory and which comply with the definition in Article 1. It is different from the official languages of the States, does not include the dialects or the official language of the state or languages of migrants." Perhaps more interestingly is Article 2 of the second part: "In respect of each language specified at the time of ratification, acceptance or approval in accordance with Article 3, each party undertakes to apply a minimum of 35 paragraphs or subparagraphs chosen from among the provisions of part 3 of the Charter, including at least 3 chosen from each of the Articles 8 and 12 and one from each of the Articles 9, 10, 11 and 13." I look forward to the Connétable telling us which of the 35 paragraphs that he has looked into he thinks should be applied in this case because I do not think we should go into things blindly. I think States Members should have all the information in front of them, including a copy of the *European Charter for Regional and Minority Languages*, its explanatory note, running to 22 pages so if they do want to agree this, they sign up knowing what they are signing up to. I support the Office of Jèrriais, I know they want us to sign up to it. I want to work with them to ensure we sign up to it in the right way. That is what our commitment is to do, to work with them to investigate whether we should sign up - I hope very much we can - and at what level we should sign up. That is what we want to do. We need to be quite clear of what our commitment is before we put down the bald fact that we are going to do it. We also need to be clear as do we want, like the Isle of Man, to ask the UK to sign on our behalf or do we want to investigate whether we sign on our own behalf? I am afraid it is simply not good enough just to repeat what somebody else has said as a reason for doing something. This needs to be looked at properly, with a full debate in this House with the full information for States Members otherwise we could be committing to something that perhaps not all States Members want us to commit to. The Isle of Man, in their decision and their government's decision, are spending far more on Manx language than we

are spending on Jèrriais. Let us not make any bones about that, 5 times as much. That is just the annual thing. They have a primary school that teaches in Manx and they have had that take-up. We have not gone that far yet. It is a big commitment. We need to be careful. We need to support Jèrriais. We need to look at exactly what we would be signing up to and I believe that what the amendment we propose is to increase the number of Jèrriais speakers and to investigate the possibility of signing up. I believe that is the sensible and responsible way for the States to address this issue and I support the amendment, Sir.

#### **1.4.9 Deputy S.C. Ferguson:**

It seems to me that we have missed one aspect: the Connétable of St. Helier has already brought an amendment wanting to reduce red tape, so why are we signing up with something which has emanated from the European Union, of which we are not members? I mean, why are we acting as if we want to be? It seems to me it is just another piece of red tape with which to tie ourselves up. If we, as States Members, want to give the lead on using Jèrriais, then surely to goodness we do not need the red tape; we can show the lead ourselves. I, for example, have a very good disclaimer on my emails written in Jèrriais by Mr. Scott Warren, and it is fantastic; it gets so much comment. So, really, this is another piece of red tape with which we do not need to put up.

#### **1.4.10 Senator T.A. Le Sueur:**

Sir, I follow, in some ways, the theme of Deputy Ferguson because Members will observe that there are rather a large number of words in the Strategic Plan. I am always one for trying to reduce the number of words and make things more precise and if the words are going to be there, they have got to add something. I fear that the words 'increase protection of Jèrriais under the *European Charter for Regional and Minority Languages*' does not add anything that is worthwhile. Because what we are talking about here is an indicator. It may be my precise accounting mind but when I think of indicators I think they are things that one can observe and perhaps measure. I can observe and maybe even count the increased number of speakers of Jèrriais. I find it very hard to observe, or measure, increased protection under the European Charter. Protection against what? Is invasion by Normans or -- it is this rather meaningless phrase, I think, we are certainly not capable of measurement. If we are going to have a Strategic Plan which is nice and precise and that gives indicators under which the Accounts Ministers can be held to account, I think adding superfluous words detracts from the primary objective. In this case, I think the primary objective is to increase the number of speakers and understanders and users of Jèrriais. Now, if we are focussed on that and not worry about European Charters, I think we might be concentrating in the right areas and not on peripherals.

#### **1.4.11 Deputy C.J. Scott Warren:**

In case anyone was not in the House, I have already declared the interests of my husband working as the Jèrriais language teaching co-ordinator but this will not increase, in any way, whatever decisions reached, money coming to me. As has been said by the Assistant Minister with responsibility for Culture, there are different sections of the European Charter for regional and minority languages and as she mentioned, Section 2 is the one that I believe that the Connétable -- obviously, I cannot speak for the Connétable, but that would be the one that does not incur additional costs. That is my understanding. I was not sure whether I was going to speak in this debate because of my position but I did feel I had to answer a point by Deputy

Ferguson. My understanding of the reason for signing up to this, is that it will give a recognised status for Jèrriais and I understand from the Council of Ministers -- and I must admit I have not seen their video, that they are aiming to get a strong identity for Jersey and I would have thought this was one way, one very good way, in order to achieve that. Thank you.

#### **1.4.12 Deputy G.P. Southern:**

I think I am possibly reinforcing what Deputy Scott Warren said. I do not want to take too negative a view of Jèrriais but nonetheless, it must be pointed out that the survival of any language, depends on it having status in the eyes of, in particular, its young people. There has to be something associated with it that has status and hence, the Welsh language became identified with pride in being Welsh and independent. At the moment, it seems to me that our young people do not look to France or to our Jersey traditions for their culture. They look to the mainland. So we have a major task to turn round if we are to have Jèrriais acquire status in young people's eyes. Until we do that, no matter how many resources we throw at teaching Jèrriais and trying to encourage greater use of Jèrriais, we will not succeed. That is the key element that needs to be done and I think that needs to be taken on in Jersey and not through an external agency or recognition at all. It is a one of changing minds and giving status to Jèrriais in young people's eyes. If we do that, then we stand a chance and further their initiative as may work. If we do not, then Jèrriais will, unfortunately, die out.

#### **1.4.13 Deputy R.G. Le Hérissier:**

Just a brief word, Sir. I think we may be making a mountain out of a molehill on this. I think the sentiment is in favour of improving it. I was very impressed by the clear way in which the Assistant Minister put it forward. I think there will be a recommendation coming soon, once the Cultural Strategy has settled down and the person is in place. I would prefer that a clear recommendation be made, bearing in mind the sentiment of the House. Trying to work out in detail in which paragraph applies and so forth, at this point in time, Sir, I do not think it is terribly fruitful.

#### **1.4.14 The Connétable of St. Ouen (The Chairman of the Comité des Connétables):**

I have to say that I hope that if the Council of Ministers does produce a video, that it is not the Minister for Education, Sport and Culture who speaks in Jèrriais on it. **[Laughter]** As a Jèrriais speaker, I have to admit that I did not understand much of what he said. **[Laughter]** I think that, on the other hand, what he did say when he finally broke into English, is quite right but I do not think that he and the Connétable of St. Helier are very far apart, we are just talking about a matter of words. If you look at what was included and accepted in the Cultural Strategy and the words that were in there and the words which the Connétable of St. Helier is proposing, they are not very far apart. I think that, as much as I would like to support the Connétable of St. Helier because he has had the courage to bring this amendment to the States, I think that it is probably right that we should have before us the words of the Charter, before committing ourselves to the adoption of it. I am, on the other hand, aware that being President of the Jèrriais section of the Association of French Speaking Parliamentarians, that the use of minority languages across French speaking countries in Europe, is very much sought after. I think they have all realised that over many years, they have neglected their minority languages and are suddenly realising that it is going to be an uphill battle to revive some because I think some are at the point of needing revival, or at least getting some of them

to have a bit more meaning than is left of them. I think that we must be congratulated as a House, for having adopted the proposition made some years ago, to start teaching Jèrriais in schools. I would like to take this opportunity to congratulate the Deputy of St. Saviour's husband and his many helpers, for the enormous strides which they have made in the promotion of Jèrriais. **[Applause]** I serve on the Don Balleine, which is a charity which is driven by the need to protect and enhance the Jersey language and I know that they are very keen that other agencies, including Education, Sport and Culture act altogether to try and promote the use of the language. Deputy Southern said that we are dependent on young people wanting to use it and that is quite right. I think that is probably where the Cultural Strategy will need to aim its efforts on encouraging young people to have a pride in Jersey and a pride in using the minority language of the Island, or at least having the ability to understand what it says. I would have liked to have flatly supported the Connétable of St. Helier but I think that, as I said, we need to read the Charter quite carefully before we commit ourselves.

#### **1.4.15 Senator P.F.C. Ozouf:**

I am the youngest but one Member of this Assembly now **[Laughter]** and I think I must be one of the few people under the age of 40, that do understand Jèrriais. I would like to say that I speak it. I used to speak it when I was apparently a 7 or 10 year old but I, unfortunately, cannot speak it today, although I do understand it, I was brought up with it. If anybody should be trying to do more to promote and to encourage Jèrriais, it should be people who have the partly mother tongue experience of it and I realised people like me should do more. I do not, however, need to be encouraged to do so because Jersey signs up to a *European Charter for Regional Minority Languages*. We should do it because we want to do it on our own terms. I also think the amendment by the Connétable of St. Helier says: "To increase the numbers of speakers of Jèrriais." Well, maybe we should do that but we should also be working on increasing the understanding of Jèrriais. Why is it that so many people I know, think that the language of our court contracts, shortly to be replaced by English, was Jèrriais? It is not. It was French. Why do so many people think that the language of our road signs are Jèrriais? They are not. They are French. So, I would say to the Connétable, that it is not only raising the numbers of speakers but it is also raising the understanding of Jèrriais, not reinventing history and pretending that Jèrriais was the only language of this Island and the only official language. It was not. It is a local dialect of which I think it is important for us not to forget what it was and what it was used for. I also, and I agree completely with the Council of Minister's amendment here, I will be supporting the underlying amendment. I also want to ensure that we do not forget the importance of the French language in the Island. That is almost as important and with the limited learning time that you have as a 36 year old, where am I to invest my precious learning time? Is it in the re-establishment of the ability to speak Jèrriais or is it in the learning of the French language, which is almost more important? We have choices and in my life, I have chosen to invest my time in the speaking of the French language. We should not do that, we should recognise the continuing importance of having as many people in the Island understanding and being able to converse in French.

#### **1.4.16 Deputy J.B. Fox:**

But I must say that there is just a little quick précis story that my son, Charlie, with his visits to France in the summer holidays earlier on, spent much of his time with the local Breton farmers and we all thought he was learning absolutely fantastic French and speaking it, et cetera. When the new school teacher came to La Pouquelaye school, I think from Paris, we

discovered, in fact, that he was very proficient at Breton but not very proficient at standard French, so maybe we need to encourage our youngsters to go more to the traditional farming community in Jersey, which would help it along. On the other side of the coin, the Connétable of St. Helier, as was brought to the attention by one of my parishioners the other day, is in the process of putting a lot of new signs up. One being in Aquila Road. It will be interesting to see how many signs he is continuing to put up and whether he is planning to put them in both languages and has he worked out the additional cost of doing it for this year's rates? I leave that just little ditty of a thought . Thank you, Sir.

**The Greffier of the States (in the Chair):**

I call on the Assistant Minister's reply on the amendment to the Council of Ministers.

**1.4.17 The Deputy of Grouville:**

I would like to thank everyone that has spoken. I, like the Connétable of St. Ouen, would dearly love to support this amendment to the Strategic Plan - well this part of it but had the Connétable of St. Helier came forward with a particular section that we could study now and agree to support that particular section, I think we would have advanced the debate somewhat. As it is, I am happy to pursue this in the department when the Culture Co-ordinator starts. I am sorry to hear that Deputy Ferguson and Senator Le Sueur do not feel it is worth registering because I feel, as a self governing community, if we do not believe our linguistic heritage is worth supporting in this way, then no-one else is going to for us. It might be red tape but it is just shows that we are committed to supporting it. Deputy Southern, I think, said that -- and Deputy of St. John, he does not want to see lesson time being taken up with this. Well, I would like to say that there are between 175 and 200 students currently learning Jèrriais and when an equivalent of a GCSE comes to fruition in a couple of years, then I see those numbers as going up. I mean, my own daughter has just done a GCSE in Italian. Okay, she will be able to go to Italy and order an ice-cream I expect but, you know, what is the difference between learning something like that and a language of our heritage? I do see us pursuing this and registering it at some point in the future but, unfortunately because the Connétable's amendment is so vague, we really do not know the cost and the implications of what we are signing up to with his amendment the way it has been worded. Thank you, Sir.

**1.4.18 The Greffier of the States (in the Chair):**

I put the amendment to the amendment, which is to delete the words "and increase protection of Jèrriais et cetera". Those Members in favour of the amendment kindly show? Those against? The amendment is clearly adopted. Now, do any Members wish to speak on the original amendment of the Connétable as amended?

**1.4.19 Deputy J.A. Martin of St. Helier:**

It was just a very quick word, Sir. As the Connétable, in his opening speech, mentioned that he thought Jèrriais should be increased because we now have delegates on the British-Irish Inter-Parliamentary Body, may I suggest by increasing the numbers, we make sure that our 2 delegates, the Connétable of Grouville and Deputy Breckon, are the first to learn our old language. Thank you. [Laughter]

#### **1.4.20 Deputy C.J. Scott Warren:**

Just to say that I understand there are quite a lot of children of non-Jersey families, children who have come from Madeira, who learn Jèrriais and they often already have 2 or 3 languages, they are fluent in more than one language and I understand the more languages you learn when you are young, the easier it becomes. I just want to say that obviously I do support the increase in the numbers of speakers and I think that only by the States continuing to discuss this as obviously the Minister has said. I appreciate that we have not got the information before us fully but, to me - I must just clarify when I mentioned the Connétable of St. Ouen - when I mentioned a video, maybe you have seen this. There is an actual promotional video of Jersey's identity which I did not see because I had to rush off somewhere else. I believe it has a special logo, all sorts of things but I think if we are going to have our own identity and we have got all the flags already flying along Victoria Avenue, then this has to be, the increased number of speakers is a part of that. Thank you.

#### **1.4.21 Deputy G.W.J. de Faye:**

I just wish to briefly ask Members to ponder on the merits of Esperanto and I simply say that I have every confidence that this particular project will do an awful lot better.

#### **1.4.22 The Connétable of St. Helier:**

I am not dissatisfied with the result despite the criticism of some members that the proposition is vague and woolly. I would suggest that there is an awful lot of things in the Strategic Plan which are vague and woolly. I am satisfied that Jèrriais, which was not in the Strategic Plan, now is in the Strategic Plan so I think that is a good result. I am very pleased with that and I am encouraged by the Assistant Minister's promise that she will work with the practitioners who clearly want this increased protection and order given to it in due course, even though that will mean landing some fairly fat tomes of European Charters on her desk. Sir, I maintain the amendment as amended.

#### **The Deputy of Grouville:**

Could I just correct something? Jèrriais is in the Strategic Plan, albeit via another document. It is not specifically highlighted but it is in there.

#### **1.5 The Greffier of the States (in the Chair):**

I put the amendment as amended. Those Members in favour of adopting it, kindly show? Any against? The amendment is adopted. We now have the ability to take a little bit of advance because the following amendments are in green. Nos. 32, 33, 34, 35 and 36. Are Members content that all those be taken as proposed? Very well, we come, therefore, to the First amendment, No. 37, in the name of Senator Perchard and I will ask the Greffier to read that amendment.

#### **The Deputy Greffier of the States:**

After the word "appendix" insert the words "except that". In Commitment 3, Outcome 3.3, after action 333, insert the following actions: "334: Develop programmes for the education and rehabilitation of prisoners in 2007" and "335: Increase access of vocational and academic education to prisoners leading to recognised qualifications, in addition to providing opportunities to address offending behaviour in 2007" and renumber the remaining actions accordingly.

### **1.5.1 Senator J.L. Perchard:**

I have received some unfortunate comment about this amendment, particularly this morning, such as: "Here is a member who wants to reduce public expenditure, who brings in an amendment that will require extra public funding." This comment could be viewed as fair enough criticism at first glance but it is unfair, Sir, and it is untrue. I want to deal with this matter square on, here and now. The draft Strategic Plan is the Council of Minister's vision of the future. It highlights their aims, it lists their priorities. With a couple of exceptions, in my opinion, they have fairly highlighted the areas on which the government should focus, however they have missed one very important area, which should be a priority for them, it certainly is for me. We all know there is limited funding and that we are unable to provide everything we wish. However, this debate on the objectives of the 5 Year Strategic Plan does afford Members the opportunity to provide balance to the Plan and to prioritise areas that they feel should be included within it. I, Sir, place a high priority on our duty to invest in the rehabilitation of prisoners and I hope to persuade Members to do the same. It is possible that something else may have to fall from the Council of Ministers' priority list, however I do believe if there really is a will to address this issue, this proposal could probably be delivered from within existing expenditure budgets. The Members will have read the most recent Her Majesty's Inspector of Prisoners Report on La Moye, which was scathing in many areas within the prison, including the very poor educational and training opportunities available there. I will quote from just one section: "There has been some very limited progress since the last inspection but overall, the quality of education provided remains wholly inadequate. The curriculum was impoverished and most learners were offered no more than one or 2 hours of education a week. Staffing levels were insufficient to meet the identified needs and library provision was poor." I would like to assure Members that I am not going soft by proposing this amendment, I believe that prison must be seen to a deterrent to would be criminals and prisoners should be locked up and denied their freedom and that Prison has an important function of protecting citizens from crime. I also think sentences should ensure that offenders are punished for their crimes and they should be robust and efficiently enforced so as to deter would-be criminals. However, punishments and deterrents are not enough in themselves. We need to address the root causes of crime. I believe the Minister of Home Affairs and we, as States Members, have a vitally important role to play in addressing the root causes of crime and reducing the levels of re-offending. While many factors undoubtedly contribute to re-offending, offenders and ex-offenders tend to have skill levels well below those of the general population and they are much more likely to be unemployed. Yet sustained employment is the key to leading a crime free life. It goes without saying that improving skills will help move offenders into jobs, which will help break the cycle of re-offending. Substance abuse, poor housing, broken relationships, low skills, coupled with a criminal record, will undoubtedly lead to a lack of employment opportunities and will be a major obstacle to an offender living a crime-free life and becoming a more productive member of society. My amendment is presented, as I believe we must recognise the high level of re-offending. The large numbers of people in prison and serving community sentences, are a huge burden on the prison and probation services, society and the tax payer. It is true, Sir, that released prisoners are more likely to re-offend than they are to avoid crime. I am sure Members will agree that prison education, drug counselling and the opportunity to address offending behaviour, should be an integral part of life within the prison and should play a major role in the co-ordinated approach of rehabilitating offenders back into society. This debate, of course, is not about that. This debate is about money and the prioritisation of funding. The Council of Ministers' amendment to my amendment, confirms this. Prison education and training, drug counselling

and the opportunity for prisoners to address their offending behaviour, should be viewed as an investment. A sound financial investment as it costs approximately £41,000 to detain a prisoner at La Moye. If we can reduce the level of re-offending, one could only imagine, Sir, the potential savings to the police and the courts and the probation service. The Prison Governor, who deserves our support on this, has advised me that he would be enthusiastic to release statistics that would provide information to enable the measurement of re-offending of prisoners released from La Moye so that the impact of any investment would be measurable on a year by year basis. I suggest that the £256,000 required by my amendment should not only be viewed as a sound financial investment but more importantly, this relatively small sum of money should be viewed as a investment in society. There are many reasons to justify this investment but probably none better than because it is the right thing to do. With that, I make the amendment, Sir.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? [**Seconded**] There is, as the Senator has alluded to, an amendment to the amendment in the name of the Council of Ministers and I will ask the Greffier to read that amendment.

**The Deputy Greffier of the States:**

In the proposed new action 334, for the word “Develop” substitute the words “Subject to appropriate funding being identified to develop.” In the proposed new action of 335, for the word “Increase” substitute the words “Subject to appropriate funding being identified to increase.”

**1.5.2 Senator F.H. Walker:**

I would like the Home Affairs Minister, Senator Kinnard, to act as rapporteur, please.

**1.5.3 Senator W. Kinnard:**

I agree with everything Senator Perchard has just said about the important role of education in prison. Indeed, I rather wondered why he did not thank me and my officers, for all the research we gave him in order to write his report and make his speech but let us leave that aside. The establishment of a Prison Education Unit was indeed a major objective in P.201 of 2005, which was the Home Affairs Criminal Justice policy and here I pay tribute to Deputy Jennifer Bridge, as she was then and to Ed Sellers who, working in conjunction with the Prison Governor, worked up the original proposal. It really was unfortunate that the House did not choose to debate the Criminal Justice Policy last October as I think it might have given me a much stronger foundation on which to keep this item in the Strategic Plan because, indeed, it was in the early drafts of the Strategic Plan. However, as no specific funding stream has been identified and I did not have the States’ decision to back it up, it was withdrawn from the plan that was finally lodged. So when Senator Perchard suggested to me that he wanted to put in this amendment to effectively restore the position, of course I was enthusiastic. I welcomed it. Indeed, I am grateful to him. This morning, I felt that there was quite a lot of support around the Chamber about the problems at the Prison and I think if Members want to continue in that vein this afternoon they should, in fact, vote in favour of this amendment to Senator Perchard’s amendment because the Prison budget is, already, extremely over stretched and we know that it is inadequate for the tasks that are required of a modern prison today. There is a danger, Sir, that if this amendment to the amendment is not adopted, that without this, I would find that I may be put in a position where I am told: “Just

do it from your existing cash limit.” In fact, that is what Senator Perchard has just said in his speech. Sir, that will be no help at all. There are currently no funds available in the Home Affairs budget for this. The current 2006 and 2007 Home Affairs cash limits are only sufficient to cover the present running costs at the prison. There is likely to be a shortfall of funds to cover the present running costs in 2008 and beyond, unless we can find some way of funding it from elsewhere. The bottom line, Sir, is that the cost associated with Senator Perchard’s amendment and the Performance Improvement Plan, of which, of course, education will be a major part, just cannot be absorbed from within the existing Home Affairs budget projections. So if the education and training needs of the Prison are to be delivered at an appropriate level and in a way that is sustainable, which would obviously improve the prospects of prisoners, help to reduce recidivism and improve, of course, rehabilitation but if we are able to deliver that effectively, then there has to be some Corporate working together. So I would ask Members of this House to support my amendment to the amendment here today so that we can work towards a holistic Corporate approach in delivering this. I cannot do it from within my existing resources. Just like this morning, I think we have seen Senator Perchard has not really thought this through and I really do not know why he is being so stubborn on this because, basically, he is proposing more spending but he is saying take it from within your own budget. The budget which is already over stretched. I might say, okay, that might sound good but it is irresponsible, Sir. He has given very little thought to the impact that will have on the existing extremely difficult position of the prison. The prison will be placed in an impossible situation, it has a duty first and foremost to hold prisoners securely and safely to protect the community. I cannot divert resources away from that when I have not got the resources to cover the existing regime, as is. The truth is, as an educationalist myself in a previous life, if I could find a way of doing it, of course I would have done it but it is just not possible to just do it from within the existing cash limit. So what I would say to Members is, if you really want to help the prison and you really want to see this projet delivered at an appropriate level and also in a sustainable way, I ask you please support this amendment to the amendment and do not place me in an impossible position. Thank you.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? **[Seconded]**

**1.5.4 The Connétable of Grouville:**

Thank you, Sir. I am a trustee of a drug rehabilitation unit and the problem that we have now is that we are seeing people coming out of Prison who were probably clean when they went in to Prison but because of the prevalence of drugs inside the Prison, they are coming out as addicts and we are having to treat them. So what I would say is that the education of drugs offenders while in Prison is one thing, the segregation and the help given to those who are not drug addicts within the prison, should be a priority and I can see education is a very good way of helping that. Whereas I support Senator Perchard completely in what he wants to do, I am now probably bracketed as a non-spender among those who think on these things and I cannot support him but I would urge him and the Minister for Home Affairs to please get together to find a stream of funding to help in this situation. Thank you.

**1.5.5 Deputy P.V.F. Le Claire:**

That is pretty much my theme. I wholeheartedly support as has been proposed by Senator Perchard, the education and vocational opportunities for people that have been incarcerated. The difficulty has been outlined with the amendment from the Minister, that in seeking to do

so now without additional funding, we would be taking money from areas that are required to provide security and safety into providing books and education. So while some of the prisoners are getting educated the other ones are leaping over the wall. Maybe we can just support both of these and in supporting this amendment and in supporting Senator Perchard, we will be doing so, which will send back to the Council of Ministers, a strong message that we would like to see education and vocational practices in the Prison. Because we do not want that to happen outside of the existing resource stream, we would like to see an opportunity for the Council of Ministers to bring back within the Business Plan this year, additional funding and additional resources identified so that independent Members, many of us here today, who would like to be able to push the “Pour” button for more money and more opportunities to have a better outfitted Prison, we can have that opportunity in the future. I, for one, want to support the Prison. I, for one, want to support education and vocational opportunities across the board in the Island but until such time as they are presented to us by a coherent, competent Ministry, in a comprehensive business plan, I cannot do that. I will support the amendment and I will support Senator Perchard but I will also ask that if this is done in the Strategic Plan, the Chief Minister takes on board, the cognisance that we would like to see the additional funds outlined. We have got £30 million more now, let us see some of that money put towards saving ourselves in the long term, the ongoing costs of continually incarcerating people that have no other opportunities in life but being behind bars.

#### **1.5.6 Deputy G.P. Southern:**

I will try and be brief because I think this is relatively straightforward. If this were a standalone proposition and I was making it up, I would be looking for a third line which says: “And instructs the Treasury and Resources Minister to identify the requisite funds.” It is an automatic thing that needs to be in there. The amendment to the amendment does that. This is the way to achieve the ends that the Senator wants and I urge the Senator to accept this amendment.

#### **1.5.7 Senator M.E. Vibert (The Minister for Education, Sport and Culture):**

I would just like to echo, as one teacher to another, exactly what Deputy Southern said. We all want to achieve this and the way to do it is to accept the amendment. I just hope that Senator Perchard sees it in the same way, accept the amendment to the amendment and we can get on. We are already from September, a ESC making a co-ordinator available. The Highlands College wants to work with the prison and recruit the necessary staff and so on and really, the sooner we get on with this, the better.

#### **1.5.8 Senator J.L. Perchard:**

There seems to be a misunderstanding, certainly on behalf of those that have spoken. I will reiterate 2 lines from the speech I gave just a moment ago: “However, I believe if there really is a will to address this issue, this proposal could probably be delivered from within existing expenditure proposals.” I do not make any claim as to which expenditure proposals they should come from. We are approving a Strategic Plan here, not a Business Plan. I am not suggesting that this money should come from the Home Affairs budget. I am saying: “From within existing expenditure proposals.” We will have an opportunity at the time of the Business Plan debates, to prioritise areas of spending. I am no way suggesting it has got to come from any particular budget and that is why I am inclined not to accept this request to withdraw it because I think the Strategic Plan is different from the Business Plan. It should be

a strategy of this House to invest in the rehabilitation of offenders and we should include it as a policy strategy. The funding is a separate issue and that is something the Council of Ministers, when they bring back the Business Plan, will have to deal with.

#### **1.5.9 The Deputy of St. Martin:**

I think we all have sympathy with Senator Perchard and I think what he is asking for, is action not words. I think most of us, or any of those that have had some dealings with Home Affairs, will keep saying this: "Can we have some action, not words." We are going to have the opportunity of the Minister to sum up and when she will sum up, I would ask that she maybe could tell the House how high has she prioritised prison education and how many occasions has she been and put that on her list when we had the Fundamental Spending Review, to see what sort of funding she can have for it? Having that said, she will be pleased that I will be going along with - and I will be suggesting that the House also supports the amendment and the reason is quite simple. The Social Affairs Panel did look at this area, as indeed, we looked at them all and if Members will see that the Ministers have accepted 2, or certainly, one full suggestion of ours and that is the bullet point under 33, that says: "Educational facilities for prisoners improved." So we have the commitment now that they are going to be improved. Also, we did suggest in another bullet point - or another suggestion was to introduce, monitor and assess a sufficiently resourced education and skills programme for prisoners and again, that is not quite the words we used but I think this is one of the benefits that we have learnt from our exchange when meeting the Ministers, that we have re-jigged what our thoughts were and they have now come in a different frame but still achieved the same thing. That again, can be found in one of the green proposals here, which the Ministers have accepted and we are accepting. So can I give Senator Perchard my assurance and I think he knows I am a bit of a - I think the word is a terrier now - I have been always like: "A dog with a bone" but I am now a terrier with a bone but Social Affairs will be looking very closely at what is going to come away from the Performance Improvement Plan, which has been promised by Home Affairs. It should have been ready in April, supposed to be ready in May, we are now getting towards the end of June. No doubt we will be getting it very soon. Can I assure him, also, within that Prison Improvement Plan, there will be costings. Again, to reinforce what the Ministers had to say, we will be told what it is going to cost for education, we know we have got promises from Education but the matter, at long last, is in hand. All I would ask is that maybe again, listen to the better part of me, Senator Perchard, accept what we have got on the table. Let us not waste a lot of time. I can give you my assurance and that of our panel will be looking very closely at what is being done and certainly, if it does not achieve our merits, what we are looking for, we will come back to the House. Thank you, Sir.

#### **1.5.10 Senator J.L. Perchard:**

Thank you for that, Deputy of St. Martin and you do inspire me with the confidence I probably needed. I will accept the Council of Ministers' amendment, Sir, and request that the Minister really does take on board, the -

#### **The Deputy of Grouville:**

Are we not on the amendment of the amendment?

#### **The Greffier of the States (in the Chair):**

I allowed Senator Perchard just to respond to the clear wish of Members, that he indicate whether he was willing to accept the amendment or not.

**Senator J.L. Perchard:**

Yes.

**The Greffier of the States (in the Chair):**

I am not going to allow him to make a second speech. I think you have indicated that you accept, it does not prevent other Members speaking or a vote taking place but you are -

**Senator J.L. Perchard:**

I will accept the Council of Minister's amendment, Sir and I may I just -

**The Greffier of the States (in the Chair):**

That is all we need to know, Senator. We will come back to you on your amendment.

**1.5.11 Deputy C.J. Scott Warren:**

It is very short-sighted for the States and we all, I think, will have to take responsibility over many, many years, to have neglected the important issue of rehabilitation. I also know how negligible are the educational facilities provided at the Prison are. The then President of Home Affairs, now Minister and I liaised to quite an extent and managed to get a limited provision of education for a young person residing some time ago, in the prison. This situation and I was given some papers of the UK situation and we are well behind England in our provision of education. So I support the original amendment and obviously I support this amendment that we have got to find the money and identify the resources quickly. Thank you, Sir.

**1.5.12 Senator W. Kinnard:**

I will be very quick. I thank those Members who have spoken in support and have seen the sense. I am grateful to Senator Perchard for accepting the amendment to the amendment. I will ignore the sniping from the sidelines of certain individuals but I will say that, of course, it was originally raised when I was President of the Home Affairs committee when Deputy Bridge worked with Ed Sellers, the Prison Governor, to produce this which went into the Criminal Justice Policy, which the House did not debate last October, so this has been an issue which has had very high priority in our thinking and it is a major step forward, we thought, in terms of rehabilitation. We have not had any funds to deliver that. It will be a major part, of course, of the Performance Improvement Plan so I am grateful that there is such support and I got a nod from my Chief Minister to the right here, who says we have got to find the money so I shall hold him to that and with that, Sir, I maintain the amendment. Thank you.

**The Greffier of the States (in the Chair):**

I put the amendment to the amendment. Those Members in favour of adopting it, kindly show? Any against that amendment? The amendment is adopted. Does any other Member wish to speak on the amendment of Senator Perchard as amended? Deputy of St. Martin.

**The Deputy of St. Martin:**

I did ask the Minister when she summed up to inform the House, how often she has asked for money for education. Maybe she could do that when she finally sums up.

**The Greffier of the States (in the Chair):**

She will not be summing up because it will be Senator Perchard summing up, Deputy. You missed your opportunity.

**1.5.13 Deputy A.D. Lewis of St. John:**

I am delighted that Senator Perchard has accepted the amended amendment, however, I would just like to point out something. In the Criminal Justice Policy which will be debated by this House later in the year, the issue of education is very high on the priority list within that project, so I would draw Members attention to that and read it again, perhaps, very soon, before it is debated. However, we have talked a lot today about funds that are sitting around, not doing very much at the moment. If we really wanted to do this and do it right now, we have got the money sitting there in the Dwelling Houses Loan Fund Fund, it is in the Strategic Reserve, it is in the Proceeds of Crime Fund, we have got the money, we could do it right now if we really wanted to do that and I leave that thought with you, Members, because I think it is something we could do, right now, if we really wanted to. Thank you.

**1.5.14 The Connétable of St. Helier:**

Building on that thought and it is not because Senator Vibert has just left the Chamber that I say this but it does strike me that the Council of Ministers was supposed to herald the end of silo thinking. Departments should be moving staff seamlessly around and I am surprised that Senator Perchard's request for education facilities has not been met by the Minister of Education. That would seem to me an appropriate thing to have done.

**1.5.15 Senator J.L. Perchard:**

I am quite happy to propose the amended amendment to this draft Strategic Plan and I would like to thank the Prison Governor for his help in providing me with information and I would be delighted to thank the Minister when she delivers the funding that supports the amendment and with that, I propose the amended amendment.

**1.6 The Greffier of the States (in the Chair):**

I put the amendment as amended. Those Members in favour of adopting it, kindly show? Against? The amendment is adopted. Amendment No. 39 is a green amendment in name of the Council of Ministers, which I assume Members are happy to take as amended. We come then to amendment 40, this is another part of the 9th amendment, partly, I think, consequential on the amendment adopted yesterday, No. 14. Are you happy we take that as read, Connétable? Do you wish to say anything to propose it?

**1.6.1 The Connétable of St. Helier:**

Briefly, Sir. This is the second part of the 9th amendment and this is the one that addresses the need for better communication with French authorities. Most of this subject was covered in the debate on the first part of the amendment but I would like to address one particular issue, which is that several years ago, when Dr. Rondel was the Environmental Advisor, he used to make regular trips over to Cogema for meetings with the authorities who run that plant and to discuss with French scientists, the steps that are in place. I would hope that this avenue of communication is still open. If it is not, I would hope that the Council of Ministers will take

urgent steps to make sure that we have representation at the meetings that Cogema organises and that whoever we send, has got an extremely high level of French because having been to a couple of meetings myself, they are extremely technical and very difficult to follow unless your French is up to it. Thank you, Sir. I maintain the amendment.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? [Seconded]

**1.6.2 Senator S. Syvret (The Minister for Health and Social Services):**

The Council of Ministers accepts this amendment. It is very important that we do have effective channels of communication with the authorities in France, not just EDF or Cogema but, indeed, the authorities there. Although, as I have already commented on, I think we would be unwise to rely necessarily upon, full transparency, on their part. I mean, I must just correct a slight error that is in the report in the *Jersey Evening Post* today, when it says that the Greenpeace vessel Rainbow Warrior was sunk by a French Naval ship. That is not the case. That is not what I said. What, in fact, happened to the Rainbow Warrior was that it was mined with limpet mines by a couple of French Secret Service agents and blown up in the night and in the process, a Portuguese photographer was murdered in that act, so we do have to, I think, be aware of the immense commitment there is in the French states, to the entire nuclear complex, both civilian and military. We need, I think, to adopt some healthy scepticism towards them. It might just be opportune for me to mention a question that was raised yesterday by, I think, the Connétable of St. Helier concerning iodine and whether we had iodine tablet supplies in the Island. Yes, we do. They are not yet distributed to families and I am not quite sure why that has not been the case. I do not think the Emergencies Council were particularly keen on the idea but iodine, of course, will only protect young people, children and perhaps people up to the age of about 40. It will flood the thyroid gland with benign iodine to prevent them from taking up radioactive iodine. They have to be taken within a couple of hours prior to exposure of radioactive iodine. There was some discussion, I recollect, about whether it was appropriate to distribute these to families and households in the Island on a widespread basis but certainly that is a question I am happy to raise again at the next Emergencies Council meeting.

**1.6.3 Deputy P.V.F. Le Claire:**

That was my concern yesterday. I am glad that the Minister is going to look into that issue. I know there is possibly very, very little chance of us being affected however, if we are faced with the situation such as in Chernobyl, evacuation is not something that must be ruled out. In the bullet points underneath the amendment, it says: "Appropriate arrangements are to be put in place for compensation to be paid to the Island following any nuclear accident in relation to harm to the Island or its people or its health." I would just like to know whether or not thought has gone into if, in the unlikely event we had to evacuate, how would it be determined in a foreign country, say, for example, we all moved over to France, how would that compensation, when it finally came through, if it ever did, be circulated among those people that would be affected? One might think that this is a nonsensical contribution but if you look at Chernobyl you can see for yourself the whole city was evacuated and many outlying areas.

#### **1.6.4 Deputy G.W.J. de Faye:**

I think I really ought to assist Deputy Le Claire. Chernobyl is not an island and there is a reasonable chance of putting large numbers of people on to vehicles and just driving down the road. There is not really the remotest possibility of success in evacuating the Island in the event of a serious nuclear accident of one sort or another. It is just absolutely not feasible and it would be sensible if people did not even consider it as a serious possibility. You could not get enough ships and planes in and out fast enough and when I say: "Fast enough", you are looking at the time it takes for the relevant wind to blow what is most likely to be a radioactive cloud from either Cap de le Hague or Flamanville in the direction of the Island. That would be a matter of minutes or hours. The idea of evacuation is an absolute non-starter. I think, as we devote our minds to this subject, a couple of things are worth saying. The new proposed pressurised water reactor, Flamanville 3, is a new design and, in my estimation, is a safer design than the previous 2 reactors. Those who have looked at the drawings will note that it features below the reactor containment vessel and the actual reactor itself, an enormous concrete bowl. This is a lesson that was, in fact, learnt from Chernobyl where, if Members recall, a number of very brave Russian fire fighters gave up their lives. As the reactor core above their heads was progressively melting down, they went underneath it and laid down a huge concrete base to ensure that the meltdown core did not just simply drop through into the soil. It is interesting to note that one of the new design features of Flamanville 3 is precisely this type of very large concrete containment so, I think to that extent, the Island can be reassured to some extent, that designs of these types of reactors have moved on ahead, albeit on the basis of a reactor disaster. Of course, the concern remains about the other 2 because they will be earlier, not so robust designs, and ultimately we have to face the difficulty of how to dispose of the radioactive material. A matter I brought up at one of our recent visits to our colleagues in France, which caused a certain amount of embarrassment, although I was assured that part of the Electricité de France accounting techniques, the monies to properly dispose of worn out nuclear power plants were all in hand. Senator Syvret smiles, probably justifiably because he, like me, would treat that with the appropriate amount of scepticism.

#### **The Greffier of the States (in the Chair):**

I think you must try and come back to the amendment, Deputy.

#### **Senator T.J. Le Main:**

Could we talk about the Strategic Plan and not a lecture on nuclear -

#### **The Greffier of the States (in the Chair):**

If you could come back to the amendment, Deputy. We are straying rather largely into nuclear safety and interesting issues but this is about communication -

#### **Deputy G.W.J. de Faye:**

I am sorry, Sir. I had thought that was interesting but I will be quiet. [Laughter]

#### **1.6.5 Deputy G.C.L. Baudains:**

Just very briefly, Sir, I noticed the Minister for Transport and Technical Services welcomes the new design at Flamanville, I just hope he will equally receptive for new designs for waste treatment.

### **1.6.6 Deputy C.J. Scott Warren:**

I totally support this amendment and I was at the Town Hall meeting last year where the proposed French Nuclear Industry expansion had delegates there and some States Members were there. One of the bullet points says: "Effective channels of communication with the French authorities." When we all expressed our concerns, one person, I think it was the Deputy of Grouville but I am not certain of that, asked what difference it would make if we said at that meeting that it was obvious we were not happy about it and there was certainly not a direct response. I think this is highly important. Also issues regarding compensation were raised by Senator Syvret. I totally support all the provisions of this amendment. Thank you, Sir.

### **1.6.7 The Connétable of St. Helier:**

Just dealing with a couple of queries that were raised. One was about the distribution of compensation from Deputy Le Claire, particularly for those surviving some kind of accident who might be out of the Island. The answer is I do not know and I think the reason this is here is that the Council of Ministers is being asked to prioritise the creation of these arrangements, the negotiation with the French Government and the appropriate authorities and the opening up of effective channels of communication. I suppose for States Members who are clearly concerned about this subject and it is good that we are concerned and we must not be complacent, perhaps the first port of call should be the Alliance Française now operating in the Town Hall, so we can all brush up our French because I do not know that the appropriate authorities are going to improve their English, in order to explain what is going on to us. I thank all Members who have spoken and maintain the amendment.

### **Deputy G.C.L. Baudains:**

Could I ask for the Appel, Sir? It is important to know that we have all signed up to something this important?

### **The Greffier of the States (in the Chair):**

You can, indeed. Are Members content to take that by way of a traditional appel if the Greffier calls the roll? Very well, I will ask the Greffier to call the roll. The amendment has been adopted - 49 votes were cast in favour; no votes against.

**POUR: 49**

Senator S. Syvret  
Senator L. Norman  
Senator F.H. Walker  
Senator W. Kinnard  
Senator T.A. Le Sueur  
Senator P.F. Routier  
Senator M.E. Vibert  
Senator P.F.C. Ozouf  
Senator T.J. Le Main  
Senator B.E. Shenton  
Senator F.E. Cohen  
Senator J.L. Perchard  
Connétable of St. Martin  
Connétable of St. Ouen  
Connétable of St. Saviour

**CONTRE: 0**

**ABSTAIN: 0**

Connétable of St. Mary  
Connétable of St. Peter  
Connétable of St. Clement  
Connétable of St. Helier  
Connétable of Trinity  
Connétable of St. Lawrence  
Connétable of Grouville  
Connétable of St. John  
Connétable of St. Brelade  
Deputy R.C. Duhamel (S)  
Deputy A. Breckon (S)  
Deputy J.J. Huet (H)  
Deputy of St. Martin  
Deputy G.C.L. Baudains (C)  
Deputy P.N. Troy (B)  
Deputy C.J. Scott Warren (S)  
Deputy R.G. Le Hérissier (S)  
Deputy J.B. Fox (H)  
Deputy S.C. Ferguson (B)  
Deputy of St. Ouen  
Deputy P.J.D. Ryan (H)  
Deputy of Grouville  
Deputy of St. Peter  
Deputy J.A. Hilton (H)  
Deputy G.W.J. de Faye (H)  
Deputy P.V.F. Le Claire (H)  
Deputy D.W. Mezbourian (L)  
Deputy of Trinity  
Deputy S.S.P.A. Power (B)  
Deputy S. Pitman (H)  
Deputy A.J.H. Maclean (H)  
Deputy K.C. Lewis (S)  
Deputy of St. John  
Deputy I.J. Gorst (C)  
Deputy of St. Mary

### **1.7 The Greffier of the States (in the Chair):**

The Assembly now comes to a further number of green amendments. These are numbered 41, 42, 43, 44 and 45. Is the Assembly content to take all those as proposed? Very well, we come therefore to amendment 46, once again in the name of the Connétable St. Helier, the fifth part of the tenth amendment. I will ask the Greffier to read that amendment.

### **The Deputy Greffier of the States:**

After the word “appendix” insert the words “except that”. In commitment 4, outcome 44, after action 444 insert the following action: “445. In the 2006 debate and implement an air quality strategy for Jersey including proposals for monitoring and publishing levels of local air pollution and targets, policies and time scales for reductions in air pollution levels that reflect best practice globally.”

### **1.7.1 The Connétable of St. Helier:**

I am tempted to use my very short speech of yesterday which is that it should have been in the Strategic Plan. It was not and it is now. Members are obviously happy with that. I just wanted to say a couple of words extra to that. First of all, I understand that the only difference between the Council of Ministers and me over this is that they want to change the date. They want to change from “2006 debate and implement” to “2007 debate” which sounds pretty ominous and I was minded to oppose that. However, having spoken to Senator Cohen, I understand that the Council of Ministers are going to say that they would like to start the implementation process in 2007 and so long as that is still the case I would be accepting their amendment to mine. Members, I am sure, will not need much convincing that while air quality is referred to in the body of the Strategic Plan it is not up there as a priority and it really should be. Any Members who have looked on the States website to find out about air quality will notice a strategy launched in 1999 and not a lot of progress seems to have been made since. I may be wrong about that but there have been suggestions that we should be introducing an MOT to remove 10 per cent of the vehicles on the roads that cause 90 per cent of the pollution and we do not seem to be any closer to that than we were when it was first suggested. I think it is important for that and for lots of other reasons related to air quality that this proposal is given the priority it deserves and I am very grateful to the Council of Ministers for agreeing with me. Of course, I should say that the reason I am trying to cosy up to the Council of Ministers as we move through the debate is because we have some very important amendments relating to St. Helier and I hope there will be a reciprocal kindness and generosity from the Council when we get to them and maintain the amendment.

#### **The Greffier of the States (in the Chair):**

The amendment is seconded. Now, there is, as the Connétable has said, an amendment. I will ask the Greffier to read that amendment.

#### **The Deputy Greffier of the States:**

In amendment 5 in the proposed new action 445 for the words “2006 debate and implement” substitute the words “2007 debate”.

### **1.7.2 Senator F.H. Walker (Chief Minister):**

Sir, I invite Senator Cohen to act as rapporteur.

#### **The Greffier of the States (in the Chair):**

Yes, the Connétable has obviously indicated his acceptance of the amendment. Do you wish to add some comments, Senator?

### **1.7.3 Senator F.E. Cohen (Minister for Planning and Environment):**

Yes, Sir, I will make some brief comments. Members may be asking themselves why the Council of Ministers would prefer the 2007 deadline. I thought it was worth explaining why we required this. The current draft air quality strategy was published in 2002 and included many proposals relating to traffic and transport, the main cause of local air pollution. However, since then the sustainable travel and transport plan has been produced and there is ongoing development of an action plan. In addition, an energy policy is being developed. Both of these documents go beyond the proposed policies within the draft air quality strategy. The draft air quality strategy will therefore need to be reviewed to ensure that it is up to date and reflects the latest thinking within the 2 policies. This could well require additional

resources given the commitment to achieving international air quality standards within Aim 4.4. We felt that we could not realistically achieve this within the next 6 months and therefore I am very grateful that the Connétable has accepted that we will do this in 2007, beginning an implementation of the measures immediately thereafter.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? Does anyone wish to speak? Senator Syvret?

**1.7.4 Senator S. Syvret (Minister for Health and Social Services):**

Air strategy is important. We are quite fortunate being a small Island community with a lot of coastal wind that much of the pollution from traffic in St. Helier is blown away. Notwithstanding that fact, testing has shown that pollution in some of the streets of St. Helier in the hot summer weather is extremely bad from vehicles, bad to the point of being a threat to peoples' health. So I make that point because Members have to understand that if we are serious about a clean air strategy that is going to require doing some unpopular things, for example, as was referred to by the, possibly introducing a MOT to get particularly polluting vehicles off the roads, discouraging excessive car use and things of that nature. We must also recognise the cost of clean air is not just to do with traffic pollution. One of the things that we will certainly have to do if we are going to have a clean air strategy is shut down the existing Bellozanne incinerator and replace it with something better. Just another word on why we removed the word "implement" with the amendment is because we cannot implement the strategy without the approval of the States so all we can do is bring it forward for debate and its implementation will be in the hands of this Assembly.

**The Greffier of the States (in the Chair):**

Do you wish to reply, Minister?

**1.7.5 Senator F.E. Cohen (The Minister for Planning and Environment):**

I am grateful to Senator Syvret for adding those comments.

**The Greffier of the States (in the Chair):**

I put the amendment to the Council of Ministers. Those Members in favour of adopting it, kindly show. Against? The amendment is adopted. Does anyone wish to speak on the amendment of the Connétable as amended?

**1.7.6 Deputy P.N. Troy:**

I would just like to point out one thing about the tunnel that we all drive through every day. The air quality in there is atrocious and there is a sign as you enter the tunnel which states that the air quality is very poor. You see a vast number of people walking through there every day and, really, something should be done about that. There should be air extractors or there should be something similar put in place in the tunnel rather than just the sign painted on the wall before you go into the tunnel. I think something more serious should be done.

**1.7.7 The Connétable of St. Helier:**

I will take up Deputy Troy's suggestion and discuss it with my good friend, the Minister of Transport and Technical Services. I believe there have been plans to [Laughter] ... I heard

the phrase “too little, too late” but one has to try. I will bring it up. I know it has been on the list of projects required but clearly there is a cost involved. I am sure it is also worth us looking into the signage around the tunnel because I believe that some pedestrians and cyclists who use it probably do not know of the alternative routes that exist to get to the east of the Island. That is also worth exploring. I maintain the amendment as amended.

### **1.8 The Greffier of the States (in the Chair):**

I put the amendment as amended. Those Members in favour of adopting it kindly show? Against? The amendment is adopted. We come now to the twelfth amendment in the name of Deputy Scott Warren. I will ask the Greffier to read the amendment.

#### **The Deputy Greffier of the States:**

After the word “appendix” insert the words “except that”. In commitment 4, outcome 47, for action 472 substitute the following action “472. Fully implement those parts of the Planning and Building (Jersey) Law 2002 that the States have agreed to bring into force on 1st July 2006 together with associated secondary legislation in 2006, and bring into force and implement the remaining provisions of the law concerning third-party appeals and the powers to remedy dangerous structures by early 2007.”

#### **1.8.1 Deputy C.J. Scott Warren:**

I have brought this amendment to the Strategic Plan in order that decisions taken as far back as 2001 during the original debate on the Planning and Building Law (Jersey) 2002 as it now is and the further endorsed provision for a limited third-party right of appeal in 2005 will have at least a chance of coming into force and being implemented by early 2007. It would seem that commitment for outcome 47(472) the words “implement Planning and Building (Jersey) Law 2002 and associated secondary legislation in 2006” applies to the parts of the new law which are fortunate enough to have been enacted and which will be implemented from 1st July 2006. Since the strong verbal commitment given by the Minister of Planning, Senator Cohen, to seek resources for third-party appeals during the debate on the appointed Day Act, I had a meeting with the Director of Planning, the head of the Building Control section and the Principal Planner who works on appeals. Another meeting is due to take place next week. The amendment by the Council of Ministers subject to “adequate resources being made available” came as no surprise to me and I will be accepting the amendment. I had believed this was already implicit when bringing this amendment. Without the resources these 2 outstanding provisions will never be enacted. “Quite right”, I hear you think. You will no doubt be familiar with that old children’s favourite, Teddy Bear’s Picnic which nowadays goes something like this: “If you go up to South Hill today, you are sure of a big surprise. If you go up to South Hill today, you will hardly believe your eyes. For no resources for more first-party appeals, have ever been set aside.” This shows the total inequity of the current situation. Applicants and developers’ appeals are expected to double under the new rules and system. But not only did the previous President of Environment and Public Services not request money for third-party appeals, he did not even request resources for the additional work which is going to be needed for the first-party appeals. As the rhyme says: “A big surprise.” The Director of Planning told me he believes that the applicants’ appeals will double in number from 15 to 30 per annum and he also believes there would be around 30 third-party appeals. This new law gives third-parties a right of appeal agreed by 2 separate States Assemblies but when it comes to finding the resources they can, and will, be found for double the number of existing applicants and developers appeals albeit that no additional money was

requested but, oh no, they cannot be found the poor aggrieved neighbour. He or she can continue to have his or her property adversely affected and suffer in silence whilst alongside a property something is erected. What does a mere neighbour matter compared with a developer or applicant? I can tell Members that one of the figures quoted to me was £92,000 being the necessary amount for the operations of first-party appeals, of which £48,000 is already funded. The Principal Planner for appeals would devote 100 per cent of his time to appeals instead of 75 per cent of his working hours at present. I have been told by the Director of Planning that the additional cost for first-party appeals will be £28,000. (Yes, I know those figures do not add up) for an additional 0.5 half-time planner, half the salary of a grade 12 planner and that the funding currently in place for applicants appeals is £48,000. So, despite no additional resources having been requested in 2005 and with double the number of expected appeals by developers and applicants from 1st July 2006 within the new Royal Courts system, applicants will have the continued ability to appeal. I do appreciate that the new Royal Court rules will mean an increase in work load and in order to respect these initial difficulties, I am asking for the third-party appeals provision to be in force and implemented by early 2007. However, there should be equity in this new law and a request made for the additional £84,000 required by the Planning Department. I believe there can be ways to allocate that money and the Treasury and Resources Department were quite specific that they will require an additional £128,000. Again, I believe that in the interests of equity for applicants and neighbours, and to abide by the decisions of previous States Assemblies, these resources should already have been requested and must be requested this year. The provision of a third-party right of appeal originally agreed in 2001 would then be brought in by early 2007 which I would respectfully remind Members is almost 6 years after the original debate. Members who have a copy of the Planning and Building (Jersey) Law 2002 to hand, or have looked at it recently, will know that chapter 3, Dangerous Buildings, is dealt with in 10 articles. The powers to remedy dangerous structures must have been considered a necessary and important provision within this new law otherwise why were they included? Members will know that £56,000 will be needed in order to employ a grade 12, senior building control surveyor. As I have previously stated it is not right for Ministers and Departments to cherry pick the bits of a law they like and so wish to implement, and to conveniently shelve those provisions that do not suit them. In the Council of Ministers report on my amendment it states the sources of funding for these initiatives has not been identified. Why not and why was it not necessary to identify the additional sources of funding for double the number of appeals by developers and other applicants? Why, indeed? Amazing double standards. Even when the resources are in place for third-party appeals to be implemented I will eat my hat. I am not expecting early indigestion but I long to be proved wrong. Members, I suggest to you that where there is a will there is a way. The Minister for Planning has confirmed to Members that he has the will. If Members turn to the Council of Ministers comments for the Deputy of St. Ouen's thirteenth amendment for amendment 3C the last line reads: "Permit the States to vary previously agreed resources to finance new policies through the annual Business Plan process." "Fine", you may rightly say, but what about financing old policies and new laws through the annual Business Plan process? Or is it off with the old and on with the new? If so, I say again that this is a disgrace and dishonours the service given by all those Members of the States who have voted for these 2 provisions in the law. I can totally support a vision for the future so long as we do not remain on the vision that has already been seen. I would also say that if we can find £13 million yesterday I trust the necessary resources will be found for these 2 provisions tomorrow. Members, in the name of Jersey democracy I urge you to support my amendment and obviously, as I say, I will be supporting the Council of Ministers amendment.

**The Greffier of the States (in the Chair):**

The amendment is seconded. There is an amendment in the name of the Council of Ministers as the Deputy has indicated. I ask the Greffier to read that amendment.

**The Deputy Greffier of the States:**

In the proposed substitute action 472 for the word “fully” substitute the words “subject to adequate resources being made available fully”.

**1.8.2 Senator F.E. Cohen (Minister for Planning and Environment):**

Sir, I am pleased that Deputy Scott Warren supports the amendment of the Council of Ministers to her amendment. I am sorry to repeat the figures but I believe that it is important to understand the annual costs which are currently estimated at: implementation of dangerous structures departmental costs £56,000; third-party appeals departmental costs £84,000; Royal Court costs estimated at £128,000, bringing the total annual costs to £268,000, not an insignificant sum. I am fully committed to working with Deputy Scott Warren to investigate the feasibility of an early implementation of third-party appeals and the dangerous structures elements of the law. I fully support the principal of third-party appeals but we have to be practical and we can only implement if we have the resources. The ideal is clearly to have a fully-funded third-party appeal system open to all appellants. We will be making an application to Treasury for funding but it must be understood that it will have to compete with other calls for cash. I undertake to make a very robust case.

**1.8.3 Deputy S. Power:**

I applaud Deputy Scott Warren in her attempts over the last 6 years to bring a third-party appeal provision with the States of Jersey law and I think it is sad that the teeth that are so badly needed in the new planning law are not there at the moment because of funding restrictions. I know that there are issues with funding in the Royal Court. There are costs associated with dangerous buildings and there are costs associated with the planning ministry itself. My own view is that perhaps there might have been an easier model to go down the road of an independent planning appeals board that would have acted in a quasi-traditional role but that is not to be now. That would have advised the Planning Minister on a possible future policy change. Members will be aware that Deputy Scott Warren went to Dublin with a senior planning officer some time ago and visited the Irish planning appeals system. Members may wish to know that 51 per cent of all hearings in Ireland in 2004 were third-party appeals and that included planning appeals, local authority, compulsory purchase and all road schemes. A notable feature of the Irish system is that it is open to the public. My own specific interest in this is both back in Ireland and recently in St. Brelade where, if I use the La Moye example on the Leonards Garage site, if there was a third-party appeal system now what is happening out there would not be happening, in my view. The principal of third-party appeals is that if it is independent then it is fair and it is open. As Deputy Scott Warren has said there is no provision for either first-party appeals or third-party appeals on this Island right now. So, I would like to just reinforce her views and support her rather than repeat what she has said.

**1.8.4 Senator B.E. Shenton:**

I will be very brief. On 27th February 2006 I was sent, as we all were, a copy of the Strategic Plan which clearly states that part of the plan was to implement the law in full. We were told

at the time the plan was fully funded and perhaps the Minister could just let us know what has happened to the money between that time and now.

**Deputy C.J. Scott Warren:**

I just wanted to clarify on what Deputy Power said. I think he probably did mean that there is no money for the increase in first-party appeals. There obviously are not the first-party funds.

**1.8.5 Deputy J.J. Huet of St. Helier:**

I am not going to get involved in the where's and why fors. We made a promise and I still believe that if you make a promise you should carry it out. I do not want to have fif-faffing around why you cannot carry it out. If somebody cannot work out how to raise the money let me tell them. You have a lot of applications every year. If you cannot work out any other way to do it you then will put a percentage on those applications. You will either put £10 per application or a 1 per cent of the price. No problem. It is so simple it is unbelievable. Yesterday they were handed how many millions of pounds and they cannot give this woman the money they have promised for years. It is disgraceful. Give it to her. It has been promised. You are all getting new things that you have not been promised; she has been promised. We should be ashamed of ourselves and hang our heads in shame here.

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

I do like Deputy Huet very much but she must be very careful not to re-write history. The principle of third-party appeals was something that this Assembly has agreed with and there was an attempt by the committee that she was on in order to ensure that the law which was part of third-party appeals was hastened and brought into force. She bears some credit for having brought the law into force because it was our committee that did it. However, it is not fair or true to say that promises were given in relation to funding. Deputy Scott Warren, as I recall, brought to this Assembly on at least one, perhaps 2, occasions amendments for spending and this Assembly decided that this third-party appeal funding would not be brought into case. So, let there be no re-writing of history. Let there be no suggestions that somehow Deputy Scott Warren has been promised something. The promise was to bring it into force when the funding was there. This Assembly has made the decision in the negative not to provide third-party appeals funding in the past; clearly the new Minister is going to make a decision about what it is going to cost to bring it into force and it will be this Assembly to decide whether or not that wish is granted for the actual money. I say that I will support, and I continue to support, the concept of third-party appeals because that is what this Assembly has done. It is up to this Assembly to decide whether it is prepared to put the money in place for third-party appeals against all the other priorities. Please let us not have any re-writing of history, with respect.

**1.8.7 Senator F.E. Cohen (Minister for Planning and Environment):**

Deputy Power raised the issue of an independent appeals board and commented on the system in Ireland but I am afraid we are rather too far down the road to change course at this point. Senator Shenton curiously said there was a suggestion that the Council of Ministers had claimed that the new law was fully funded. I certainly never said that it was fully funded. Deputy Huet raised the question of raising application fees. It may be one of the things we have to have a look at but it certainly will not be a very popular option in certain quarters. Senator Ozouf clarified the history and clearly laid out the way forward. I can say little more

than what I have already said, that I wholeheartedly support the principle of third-party appeals and of bringing into force as quickly as possible dangerous structures but we can only do it if we have the funds available. I have committed to working with Deputy Scott Warren. I have committed to bringing forward an application to the Treasury and Resources Minister to robustly defend the application but I am afraid I do not have the money presently within the department. I move the amendment.

**Deputy C.J. Scott Warren:**

Sir, a point of clarification. It was the previous Assembly. I have got the second amendment to the States Business Plan and it was the previously elected Assembly that voted on that.

**The Greffier of the States (in the Chair):**

I put the amendment to the Council of Ministers. Those Members in favour of adopting it kindly show. Any against? The amendment is adopted. Does any Member wish to speak on the amendment of Deputy Scott Warren as amended? Is there anything you wish to say in reply, Deputy?

**1.8.8 Deputy C.J. Scott Warren:**

Firstly, I thank all speakers. Obviously I know some were speaking on the amendment to the amendment. Well, I think everybody was. I have a bit of a problem with the fact that Senator Ozouf is saying that it does not matter if 2 States Assemblies have voted for something in a very important law and that it can just go by the board and there is no commitment necessary from a future States Assembly to fund it. In that case, what are we all doing here making laws? Should we not wait for a few years to see if the next States Assemblies agree if we pass them? It makes our position in this States debating chamber on laws and legislation ridiculous, frankly. I am pleased to have the support verbally and given the assurance by the Minister of Planning and I look forward to ways being found. Deputy Huet highlighted one way and I am sure there are ways to find this money. We just have to have the will.

**1.9 The Greffier of the States (in the Chair):**

I put the amendment of Deputy Scott Warren. Those Members in favour of adopting it, kindly show. Any against? That amendment is adopted. We come now to 15, 50 which is a further green amendment concerning St. Aubin and Gorey. If Members are happy that is taken as proposed, we therefore come to 51, the first part of the 15th amendment in the name of Deputy St. Ouen. The Greffier will read the amendment.

**The Deputy Greffier of the States:**

After the word "appendix" insert the words "except that". In commitment 4, outcome 48 add the following new action "484. Ensure that the physical infrastructure including the water supply and waste strategies is able to cope with any population increase."

**1.9.1 The Deputy of St. Ouen:**

I will be brief. This does what it tells you on the tin. It is exactly that: to ensure that our physical infrastructure does and can, and will be able to, cope with any population increase. I would also like to draw Members attention to the fact that under 4.48 there are comments like what we will do regarding providing an adequate investment and implement a programme of maintenance to ensure the waste management infrastructure is maintained to at least minimum

standards. Well, I am sorry but that is not good enough and part of the reason why is that States Members have decided that was the whole point of making sure the £32 million from the Housing Development Loans Fund could go to capital projects. Now, I leave this as a marker to the Treasury Minister and the Council of Ministers. I am expecting our waste strategies, and that includes liquid waste and liquid systems, to be up to 21st century standards. I hasten to add that I have people in St. Ouen, and there are other people in rural parishes, that have been promised years ago that they could expect mains drains by 2008/2009/2010. Those same people are being told by this Assembly: “Sorry, you cannot have it now. We do not have the money.” That is definitely not good enough and I say I will call the Council of Ministers to account. I am expecting these sorts of funds and this sort of provision to be there; whether it is mains drains or mains water this has to be a priority. I also thank the Council of Ministers for supporting this amendment.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? Does anyone wish to speak on the amendment?

**1.9.2 Deputy G.W.J. de Faye:**

I can indicate on behalf of the Council of Ministers that we are prepared to accept this amendment though it is probably sensible for me to indicate a number of problems. If Deputy Reed is concerned about wanting to get money out of Treasury he wants to come and see the problems I have trying to get money for projects I would like to undertake. It is indeed fortunate that the Strategic Plan is an aspirational document because, of course, the reality is that whilst we try very hard at Transport and Technical Services, we cannot even deal with the existing infrastructure for the current population let alone for an increased population. Our roads need further maintenance; we have not been able to extend our sewerage system to all the outlying areas of the Island but we have achieved roughly 87 per cent coverage; and I could go on but I will not. We have done what we can but to go further and to be in a position where can ensure that the physical infrastructure including water supply and waste strategy is able to cope with any population increase will, quite frankly, cost more money. As long as, I think, Members are all prepared to understand that and that we have a position that I am currently seeking to improve, and would wish to improve further, then I am happy to accept this as quite clearly the aspiration to which we should be striving towards. I have every expectation that we will continue to strive towards that aspiration with any population increase in the future.

**1.9.3 Deputy G.P. Southern:**

The tocsin sounds. You have just heard it. The first admission that with rising population, which is something that will happen as we go for economic growth, we will have costs. Costs, in this case, in terms of water supply. We cannot meet our sewerage and water needs fully at the moment and it is going to get worse and it is going to cost money. The resource implication of population growth via job growth, via economic growth, clearly sounded. It is the first time you have heard it since we were discussing population earlier on in the amendments. It is not the last time you will hear it.

**1.9.4 The Deputy of St. Ouen:**

I would just like to thank the Council of Ministers for accepting this amendment and let us move onto the next one.

### **1.10 The Greffier of the States (in the Chair):**

I put the amendment. Those Members in favour of adopting kindly show. Against? The amendment is adopted. We come now to further green amendment 52 and 53. Are Members content to take as proposed? Very well. We come to the number 54 in the name of the Deputy of St. Ouen, part of the thirteenth amendment. I will ask the Greffier to read that amendment.

#### **The Deputy Greffier of the States:**

After the word “appendix” insert the words “except that”. In commitment 6, outcome 6.1a after “the existing indicators” insert “the following new indicators: whole life costing of capital projects, the ongoing cost of new amended legislation understood and provided for, agree criteria for the use of strategic reserve.”

#### **1.10.1 The Deputy of St. Ouen:**

Again, this is just transferred from last years Strategic Plan and indicators that were included in that Plan. I would like to focus for a minute on the strategic reserve and the reason why I wanted to include the indicator agreed criteria for the use of a strategic reserve because there have been a lot of discussions about what we can and cannot use it for, maybe interest can be used or otherwise. I think there is discussion to be had and, again, I am pleased to say that the Council of Ministers seems to have accepted this amendment.

#### **The Greffier of the States (in the Chair):**

Is the amendment seconded? Does any Member wish to speak?

#### **1.10.2 Senator T.A. Le Sueur (Minister for Treasury and Resources):**

Only to say that Deputy St. Ouen and I have that contact now. I am happy to agree on behalf of the Council of Ministers with his very sensible proposals.

#### **1.10.3 Deputy C.J. Scott Warren:**

Obviously I am very pleased the Council of Ministers are accepting these 3, which are all important, and obviously from the amendment I have just brought 5 minutes ago, the middle one particularly has great relevance.

#### **1.10.4 The Deputy of St. Ouen:**

Thank goodness Senator Le Sueur has seen the light because the next amendment we are coming to is definitely the one for him.

### **1.11 The Greffier of the States (in the Chair):**

I put the amendments, 3a. Those Members in favour of adopting it kindly show. Any against? That amendment is adopted. We come next to the thirteenth amendments, 3b, and ask the Greffier to read that amendment.

#### **The Deputy Greffier of the States:**

After the word “appendix” insert the words “except that”. Three, in commitment 6, outcome

6, 1. B, in action 6, 1, 1 after the words “by early 2008” insert the words “which will remain fixed at 3 per cent for a minimum of 3 years”.

#### **1.11.1 The Deputy of St. Ouen:**

When reading through the draft Strategic Plan I obviously came to the comment in outcome 6, 1 which spoke about GST. However, I was surprised not to see the comment remaining, which I have included now, which is a comment that we have all agreed and approved: “3 per cent for 3 years.” Hence the reason why I have included it in this amendment. I do appreciate that the Council of Ministers might have some comments to make so I will refrain from saying too much more and wait to hear their comments.

#### **The Greffier of the States (in the Chair):**

Is the amendment seconded? Now, there is an amendment from the Council of Ministers and I ask the Greffier to read that amendment.

#### **The Deputy Greffier of the States:**

In amendment 3b, after the words “minimum of 3 years” insert the words “unless the States agree further exclusions”.

#### **1.11.2 Senator T.A. Le Sueur (Minister for Treasury and Resources):**

I do not want to make heavy weather of this amendment. I simply wanted to make the point that in the fiscal strategy we agreed last year we agreed the introduction of business services tax, 3 per cent for the year 3 years of existence, based on the principle of a simple and easily administered tax with few exceptions. Personally, I would have no objection to accepting the amendment of the Deputy of St. Ouen provided that the agreed basis of very limited exceptions is maintained. The fiscal strategy requires the raising of £45 million a year from Goods and Services Tax (GST). Quite clearly the collorary of having further exclusions and keeping the yield at £45 million would have to be to increase the rate. However, I am aware that one or 2 Members in the States may yet again propose exclusions to the exemptions from GST. I do not wish to open that debate today but in fairness to those Members I have to accept that a commitment to raising £45 million while keeping the rate at 3 per cent would effectively scupper their chances. If, of course, Members today decide that they are fed up with talking about further changes to GST then they can support the Deputy’s proposition and vote against this amendment. That would make my life a lot easier but it is perhaps not in the best interests of democracy. I suggest, therefore, to preserve the rights of those Members who might want to bring further exclusions that we ought to support this amendment which simply implies that of the St. Ouen. I propose the amendment for the Council of Ministers.

#### **1.11.3 Deputy A. Breckon of St. Saviour:**

Just a number of points on that. Many Members probably have had letters regarding education and GST on education. I think there is also some concern about health-related issues attracting government taxes; and we have seen some in fuel and energy. We talked yesterday about some outstanding increases in fuel and energy costs and also some basic foodstuffs and clothing and things like that. I think the Minister is right to express some caution because I think there is a debate still to be had about some of these issues because they are basic living costs for many people. I can understand his concern and I think if the House does accept that amendment it gives the House the opportunity to debate it, not necessarily to change it,

whereas with the Deputy of St. Ouen's proposal it does close the door. It could then be used to beat us over the head with if somebody were to propose that so I do welcome the Treasury Minister's open door policy. He has run up the flag, as it were, so we know that we can have another debate if Member's so wish.

#### **1.11.4 Deputy C.J. Scott Warren:**

I support the Council of Ministers' amendment. I still believe there should be some important basic exemptions such as basic food, children's clothes and education. I have had letters regarding education fees and obviously speaking as Assistant Minister of Health I think there should not be GST on medical services and supplies. Basically, GST within these areas is wrong and in my opinion it will bring adverse effects and there are problems that have not been thought through relating to GST right across the board.

#### **1.11.5 The Deputy of St. Ouen:**

I would just like to remind States Members of a number of issues. One, fiscal strategy. We have heard a lot about fiscal strategy and a lot of comments made, and assertions made by the Council of Ministers and so on and so forth: "If this is what we are doing, this is what it is, this is how we are going to do it. There is no problem, the money is there." On this fiscal strategy that we have agreed, and I say agreed (it was P44 2005), there were a number of points. It was to raise around £45 million, net of collection costs, with an initial rate of 3 per cent fixed for 3 years. That is what we signed up to, 3 per cent for 3 years, and that is what we have told the population out there. What have they said? "We do not believe you. Sorry, no. You are going to change it." No, it is 3 per cent for 3 years. What does the Crown Agents say? Conclusion: "We believe that there is no technical, economical or social reason why a GST system could not be successfully adopted in Jersey. The Island has the opportunity to introduce a broad-based GST at one of the lowest rates and highest thresholds in the world, thereby resulting in a minimal impact on prices while protecting small business and maintaining Jersey's economic advantages and business competitiveness." It says: "As a result, we hope that the concerns expressed during the public consultation will be largely allayed." In conclusion: "In presenting this report the number 3 has particular significance in our recommendations. Jersey could introduce a GST at only 3 per cent with a threshold of £300,000. There are 3 years in which to prepare for its introduction. This would enable reserves to be established before the expected revenue gap in 2010, giving the opportunity to cap the 3 per cent rate for a period of at least 3 years." Now, I am not saying that there cannot be exemptions. This is not saying that. This is just underlining the comments and promises we made to the public that when we introduce the GST it will be at 3 per cent for 3 years. By the way, no need to panic anymore. Yesterday the magician produced out of his hat another £30 million. He did that magically and you have allowed him to do it, I hasten to add, today. He has magically whipped £32 million of the Housing and Dwelling Loans Fund out of your grasp and put it back in his little kitty under lock and key. **[Laughter]** More fool you. But it is not more fool the public. The public expect 3 per cent for 3 years, not an "if". There are no ifs and buts. That is what I told my general public; that is what Senator Le Sueur came and told my parishioners at the public meetings and that is what all the consultations have been about. Council of Ministers, you are being held to account: it is 3 per cent for 3 years. I am asking the States Members to please reject this amendment and support my proposition.

#### **1.11.6 Deputy J.A. Martin of St. Helier:**

On my first reading of this I was going to support the amendment to the amendment but the wording: "The 3 per cent rate is dependent upon there being minimal exemptions as proposed by the previous Finance and Economic Committee." Then it goes on to say that if we put 3 per cent for a minimum of 3 years that excludes people being exemptions. The way I read it is what it is saying is the more exemptions people bring the rate will increase and will start off - oh, I am clear. Right. We are all clear on that. I was not in the Chamber when we started the debate. So, no, when we talked about introducing GST we said that it would be 3 per cent for 3 years. So, I will reject this amendment. It does not exclude people bringing exemptions; it just means that the Council of Ministers will have to work with those exclusions and keep the rate of GST at 3 per cent as promised and as debated in this House.

#### **1.11.7 Deputy S.C. Ferguson of St. Brelade:**

I hate to correct my Deputy Chairman but I always understood whenever we talked about minimum of 3 years this was always on the proviso that we had a minimum of exemptions. I forget which set of exemptions we talked about but if we brought in certain exemptions then the rate immediately goes up to 5 per cent. I think this is something that most of us who discussed this pointed out to our constituents that providing there are no exemptions, and this is a debate for another time, then it is a 3 per cent rate.

#### **1.11.8 Senator S. Syvret (Minister for Health and Social Services):**

Perhaps I could urge Deputy Martin and others who share her views to reconsider their position because the fact is the reason the Council of Ministers wants to have this amendment adopted is to give the Assembly some flexibility in terms of possibly agreeing to exemptions or zero ratings. The reason for that is as I have explained to the Council of Ministers. I have, with the graph at the moment, a proposition that will give the Assembly an opportunity to vote again on a range of exemptions or zero ratings to the GST. The reason why we have to keep this flexibility is because of the way the States finances have been calculated, our projections, forecasts, spending plans and so on. If we do decide to introduce any exemptions or zero ratings to certain items in the GST then the consequence of that is possibly the overlying rate may have to go up from 3 per cent to perhaps 4 or 4 and a half or something of that nature. The Deputy is shaking her head and I am very puzzled at this because, frankly, I would have thought it would be better for poorer people if there was a rate of 4½ per cent on luxury general purchases and no GST on essential medical supplies, doctors bills, basic foodstuffs, nursing home fees, care home fees, childcare fees or education fees. I would have thought that people would rather pay a slightly higher rate on non-essential, avoidable purchases than have the rate completely on things like basic foodstuffs. I think the Deputy really needs to think about her position because if we reject the amendment that has brought forward today by the Council of Ministers then we are putting ourselves into procedurally very awkward territory whereby we would have to, at some point, bring a rescindment motion to the 3 per cent level. I just do not think that is a particularly clever or constructive use of our time. The fact is that my proposition will be lodged some time within the next week and it will seek zero rating for a range of essential items and the quid pro quo of that is that the overarching rate may have to go up from 3 per cent to 4 per cent or 4 and a half per cent. I am convinced that would be preferable, fairer and better for ordinary working people in the Island than having a flat tax on things they have to buy, like medicines, doctors' bills and basic foodstuffs. So, I would really urge Deputy Martin to reconsider her position and support the amendment of the Council of Ministers.

#### **1.11.9 Deputy J.D. Ryan of St. Helier:**

I rise in support of Senator Syvret in this area. My Scrutiny Panel is at the moment in the early stages of a review of GST proposals in the law and one of the areas that we will want to look at and get very clear in everybody's minds is the evidence that supports how much the rate, in fact, would have to go up for zero ratings, primarily for zero ratings. People do, unfortunately, confuse the words "exemption" with "zero rating". Exemption would be better described as "exclusion" from GST rather than exemption. I support Senator Syvret totally and I will be supporting his amendment and I hope that my Panel will be able to report back in due course with lots of evidence-based information regarding exactly what the effects of GST will be on our population.

#### **1.11.10 Connétable K.A. Le Brun of St. Mary:**

I seem to recall when we had the debate about the GST and the percentage these questions were distinctly raised at the time with Senator Syvret. But, also, I recall the speech that was made by Senator Routier from the Social Security, assuring us not to worry because all this will be allowed for; the lower income or elderly people that might possibly suffer with their accounts and bills would be allowed for. Certainly, as far as I was aware, it was 3 per cent for the 3 years because when these other issues were raised Senator Routier definitely said not to fear and this would all be allowed for. These particular people who might have difficulty in paying their accounts and bills would be cared for in the new low income support that would be coming along and that, as far as I am concerned, is the issue that was raised at the time. So, I certainly do not agree that there was any mention at all that it would be any higher than the 3 per cent; no mention was ever made that if it was not across the board that it would be 4 or 4 and a half per cent, perhaps 5 per cent or what ever. It was a straight, flat 3 per cent over 3 years.

#### **1.11.11 Senator P.F. Routier (Minister for Social Security):**

Following on from the comments of the Connétable of St. Mary, certainly the comment which I made during the debate on GST, we did talk about income support and that was the assurance that I have been given from the Treasury and Resources Minister, the development of the income support system. There will be an additional amount of money put towards the income support system which will give the buffer, the protection, to those people are in the income support for any increase in their cost of living which is caused by the GST. With regard to Senator Syvret's comments I would not want Members to get lulled into a sense of feeling that perhaps the Council of Ministers are at one with Senator Syvret's views on having exemptions. Although he has said in a nice way that we need to take a position on this amendment and because the Council of Ministers may be able to look at some other ways of going about dealing with exemptions, I do not think that is Senator Syvret's view and quite rightly he has made that very clear to us in the Council of Ministers. He is going to be bringing forward that proposition which is fair enough but that is his view and it may not necessarily be the view of the whole of the Council of Ministers.

#### **1.11.12 Deputy G.W.J. de Faye:**

I am very grateful to the Deputy of St. Ouen for relating those features of the Crown Agent's report. It was very interesting to note the preponderance of the number 3. I am not sure

whether 3 is a Chinese lucky number or not but it would appear that the Deputy feels that this particular aspect of GST does conform to all feng shui principles.

**The Deputy of St. Ouen:**

As a point of information, I do believe the Deputy subscribed to 3, 3, and 3 in the fiscal strategy that we debated.

**Deputy G.W.J. de Faye:**

A matter I was about to come to, Sir. I do indeed subscribe to the shorthand of 3, 3 and 3 but I do happen to know that the Deputy of St. Ouen likes to confine himself largely to the barren and rustic parish in which he resides. He will know that every 3 years I undertake a ceremonial tour of all 12 parishes in an event called the Senatorial hustings. I can assure the Deputy, whilst having reflected the severe beating I took on the last ceremonial tour, that there are plenty of people out there who do not necessarily agree with 3, 3 and 3 and think that possibly there ought to be some exemptions. Believe it or not, some of those people got elected as Senators and still hold fairly strong views on the subject. I think it is only fair that one should not try and hold the line here. It is clear in my mind and I am sure in the minds of newly elected Senators and Deputies, and Connétables for that matter, that there is a debate to be had here and we should ensure that the way is open for that to take place. I will support the Deputy by taking a vigorously strong line on 3, 3 and 3. I happen to believe that whilst Senator Syvret's sentiments are very well founded, rich people have medical treatment as well as the poor so why should they get away with not having to pay 3 per cent. But that is a debate for another day. I think in order to ensure that debate will happen we must support the Council of Ministers amendment.

**1.11.13 Senator F.H. Walker (Chief Minister):**

Sir, let us be clear. There is no backsliding here which is what the Deputy of St. Ouen seems to be intimating. The current position remains that providing there are no further exemptions the rate will be set at 3 per cent for 3 years. That is the position but as Senator Syvret has said the House has got to have the flexibility. If it wants to adopt further exemptions, that is a matter for the House, but if there are further exemptions, then that is how it should be. If there are further exemptions they will carry a cost. They will carry a cost and so, will fall short of our fiscal need in terms of filling the black hole. But it is a matter for Members for another day. All that the Council of Minister's amendment is doing is giving the House, as Senator Syvret said, the flexibility it requires. So the House can choose, do we want exemptions, and the rate of GST is likely to go up, or do we want to stay where we are and ensure that the less well off are protected through low income support because that is the alternative argument, stick at 3 per cent and protect the less well off against GST on their essentials, or have exemptions and have a higher rate. That is the choice but that is for another day. But we are not arguing that today. I personally do not agree with Senator Syvret's views on this, and we will have, I have no doubt, a vigorous debate at the Council of Ministers. We will certainly have a vigorous debate on the floor of the House, but that is as it should be. But all we are saying today is give the House the flexibility, give Members with full facts in their possession the right to choose. That is all we are saying.

**The Greffier of the States (in the Chair):**

Do any other Members wish to speak on the amendment? If not I will call on the Minister to reply.

**1.11.14 Senator T.A. Le Sueur:**

Well, I am pleased we did not go straight too far into another debate on GST. We have already debated exclusions, and I am grateful to Deputy Ryan. We have debated exclusions twice already and, I suppose, the fact is that I am a realist. The Deputy of St. Ouen's went on about the clarification report of 3.303 and I have no doubt that the number of times that we debate exclusions will also be at least 3, and that, is an opportunity for another day. I certainly have no wish to reopen the GST debate. We have gone over it over and over again, and I still believe, and I think the majority of the House still believe, that the approach we are taking is correct. But what this amendment is doing is allowing Members who think differently to have that freedom of choice which they otherwise would not have. I maintain the amendment.

**Senator M.E. Vibert:**

Could we have an open ballot, please?

**The Greffier of the States (in the Chair):**

Yes. The Standing Orders provide for an open ballot. Very well. The Standing Orders provide that the default is the open ballot unless the House resolves otherwise. Is there a proposition to take the vote by Appel nominal?

**Senator M.E. Vibert:**

Appel nominal, please, sir.

**The Greffier of the States (in the Chair):**

Is there a proposition?

**The Deputy of St. Ouen:**

I would like to propose that it is an open ballot. It is not proper and right when we have got electronic problems with our buttons that we can choose a situation which mimics and exactly mirrors the electronic voting.

**The Greffier of the States (in the Chair):**

Well, Deputy Reed, the Standing Orders are against you. This is a matter for the Assembly, and so Senator Vibert has made a proposition that it is taken by Appel nominal. If the House is with you they will vote against the proposition of Senator Vibert.

**Senator P.F.C. Ozouf:**

Point of clarification. Open ballot means that we write our names on the ballot?

**The Greffier of the States:**

Yes. Members who were here at 2.15 p.m. would have heard that it involves writing your name on a ballot. Very well, those Members in favour of voting by appel nominal as proposed by Senator Vibert kindly show. Those against. The vote will be taken by Appel nominal, and the Greffier will therefore call the roll. The amendment to the Council of Ministers has been adopted, 44 votes were cast in favour and 7 votes against. Debate therefore resumes on the amendment of the Deputy of St. Ouen as amended. Does any other Member wish to speak on the amendment?

**POUR: 44**

Senator S. Syvret  
Senator L. Norman

**CONTRE: 7**

Connétable of St. Mary  
Connétable of St. Peter

**ABSTAIN: 0**

Senator F.H. Walker  
Senator W. Kinnard  
Senator T.A. Le Sueur  
Senator P.F. Routier  
Senator M.E. Vibert  
Senator P.F.C. Ozouf  
Senator T.J. Le Main  
Senator B.E. Shenton  
Senator F.E. Cohen  
Senator J.L. Perchard  
Connétable of St. Martin  
Connétable of St. Saviour  
Connétable of St. Clement  
Connétable of St. Helier  
Connétable of Trinity  
Connétable of St. Lawrence  
Connétable of Grouville  
Connétable of St. John  
Deputy A. Breckon (S)  
Deputy J.J. Huet (H)  
Deputy of St. Martin  
Deputy G.C.L. Baudains (C)  
Deputy P.N. Troy (B)  
Deputy C.J. Scott Warren (S)  
Deputy R.G. Le Hérissier (S)  
Deputy G.P. Southern (H)  
Deputy S.C. Ferguson (B)  
Deputy P.J.D. Ryan (H)  
Deputy of Grouville  
Deputy of St. Peter  
Deputy J.A. Hilton (H)  
Deputy G.W.J. de Faye (H)  
Deputy P.V.F. Le Claire (H)  
Deputy J.A.N. Le Fondré (L)  
Deputy D.W. Mezbourian (L)  
Deputy of Trinity  
Deputy S.S.P.A. Power (B)  
Deputy A.J.H. Maclean (H)  
Deputy K.C. Lewis (S)  
Deputy of St. John  
Deputy I.J. Gorst (C)  
  
Deputy of St. Mary

Connétable of St. Brelade  
Deputy R.C. Duhamel (S)  
Deputy J.A. Martin (H)  
Deputy of St. Ouen  
Deputy S. Pitman (H)

**1.11.15 Deputy J.D. Ryan:**

Just very quickly. Just to point out to Members, one thing that either the amendment or the amendment to the amendment does not cover and that is the other 3, the 300,000 minimum point at which you need to be registered for GST, and it does not cover the other 300,000 and,

therefore, it is not necessarily the case that, if you had an exemption, for example, or a zero rating, that you could not reduce the 300,000 threshold and that would get you more GST.

#### **1.11.16 The Deputy of St. Ouen:**

I am amazed and I am sure the public out there are going to be equally amazed that the States can remove an aim. You have always been misled and, I mean, it has been suggested I have been misled, but all we are doing is talking about a strategic plan that is an aspirational document setting out where we would like to be. You have just said that you have now changed the view that it is going to be 3 per cent fixed for 3 years. You have now changed that to, well, it can be anything that the Council of Ministers and the States like. That is what you have said. We have yet to have a debate on whether we have exemptions. That does not stop this aspirational document working. It does not stop having 3 per cent for 3 years included in this aspirational document. This is a strategic plan. I think everybody has lost sight of that and it saddens me that very few States Members seem to be aware of the promises that have been made by this House. Thank you.

#### **1.12 The Greffier of the States (in the Chair):**

I put the amendment, so those Members in favour of adopting it as amended kindly show. Against? The amendment is adopted as amended. We come now to the second amendment in the name of the *Connétable* of St. Helier. I will ask the Greffier to read that amendment.

#### **The Deputy Greffier of the States:**

After the word “appendix” insert the words: “Accept that (1) in commitment 6 outcome 6.1 after action 6.1.3 insert the following actions. 6.1.4 bring forward firm recommendations on the possibility of the States paying rates on its properties in 2006.”

#### **1.12.1 The Connétable of St. Helier:**

Members will be delighted to learn that we are not to have this evening, or we do not need to have this evening, a debate about the States paying rates. We possibly could even finish the strategic plan this evening perhaps because of that. I see that Senator Ozouf has brought in a glass of water and he will not need it because the Council of Ministers has proposed an amendment and I understand that certain comfort is to be given to me by the Minister of Treasury and Resources that we are indeed, as said in the Finance and Economic Committee’s paper last year, going to have firm recommendations in 2007 for the States to pay rates on its properties. My request for a working group to be set up to progress that is to be taken forward this year. So, I am happy. My only concern really is that in the comment on this second amendment lodged by the Council of Ministers they say that the solution to the problem, and it clearly does present a problem, has got to be cost neutral to the tax payer, and I do not think it is right at this stage that we prejudge the outcome of that study. Who knows what solutions the study is going to come up with? But having said that, Sir, I am pleased that we seem to have reached an accord and I propose the amendment.

#### **The Greffier of the States (in the Chair):**

Is the amendment seconded? **[Seconded]** There is an amendment in the name of the Council of Ministers. The Greffier will read that amendment.

#### **The Deputy Greffier of the States:**

In the proposed new action 6.1.4 before the words “in 2006” substitute the words “by 2007”.

**1.12.2 Senator T.A. Le Sueur:**

This is really an obligation to be placed on the Treasury and Resources Minister and so I am happy to speak to it. I am grateful for the Connétable of St. Helier and the position that operates between these benches and his benches which enables me to deal with this fairly quickly. I said in answer to him earlier that I would be setting up a working group once the full impact of the new rates law had been assessed. The Connétable of St. Ouen yesterday gave details of the breakdown of the rating assessment and I confirm now for the benefit of the doubt of the Connétable or anybody else that I will now be setting up that working group within the next 3 months with the aim that we will, in fact with the commitment, that we will be able to come back by 2007 with firm recommendations. I underline that is an undertaking which I am happy to give. The Connétable is happy to accept that undertaking and on that basis I would like to 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 to the Council of Ministers? Deputy Breckon.

**1.12.3 Deputy A. Breckon:**

I would be delighted if the Minister of Treasury and Resources could tell me the difference between in 2006 which is the end of the year, I would presume, and by 2007. Could you tell me what the difference is?

**1.12.4 Senator T.A. Le Sueur:**

By 2007, it is vague and it does not say by what date in 2007. However, I think the spirit of this is we are going to go on ahead with it as quickly as possible. I maintain the amendment.

**1.13 The Greffier of the States (in the Chair):**

I put the amendment to the Council of Ministers. Those Members in favour of adopting it, kindly show. Any against? The amendment is adopted. Does any Member wish to speak on the amendment of the Connétable as amended? If not I will put that amendment as amended. Those Members in favour of adopting it, kindly show. Any against? That amendment is adopted as amended. We come now to the 7th amendment also in the name of the Connétable of St. Helier. I will ask the Greffier to read the amendment?

**The Deputy Greffier of the States:**

After the word “appendix” insert the words “except that” in commitment 6, outcome 6.1, after action 6.1.3 insert the following action 6.1.4. In 2006, bring forward to the States for approval proposals to ensure that the funding of the maintenance of public amenities, such as public parks, gardens and toilets, is achieved in a way which is equitable.”

**1.13.1 The Connétable of St. Helier:**

I probably should have asked for an Appel on the last amendment because it is, I think, we are not there yet, of course. Perhaps we should have the Appel when we finally agree a system of

the States paying rates, but it is an important thing to have put in to the strategic plan. I am very pleased that we have reached that state of reconciliation. Moving on to this amendment, I could perhaps just say that the background is, of course, the historic weeks that we are currently living in, there has been very little fanfare about it but it is of enormous significance that the welfare burden that has fallen unequally on the urban parishes has, at long last, been equalised. In a few weeks time, sacks of rates bills will be leaving parish halls to, one would hope, contented rate payers because at long last, after decades, if not longer, perhaps after centuries, the unequal welfare cost will now be borne equally by all ratepayers across the Island, a truly historic day. I think, to follow the religious language we have had in much of today's debate, I think that is worthy of a real hallelujah chorus from the States Assembly. Now, this, of course, was a matter which developed many years ago and many Members have been involved in it. The review of the relationship of the States and the parishes are coming out of the clothier reforms and an important part of that, certainly for me, and I believe for other Members, was that the initial report put together very competently by then Deputy of Trinity, now Mr. Crespel, and very efficiently by his Executive Officer, Liz Burst, and I think that name has changed as well, recognised back then that the position of St. Helier needed addressing, and I have put for Members in my report the background documents. I think one of the key recommendations that came out of that early document, and it is on page 6 of my report, that the cost of all parks and gardens and public toilets currently met by the ratepayers of St. Helier should be met on an Island wide basis. In other words, put very simply, all public amenities of whatever type should be paid for by the public that use them and not by a particular group of ratepayers in the Island. That was certainly approved in the early stages of the debate on this subject, and when the original proposal P.40 was put to the States in 2004, a very large majority of States Members agreed that this inequity had to be addressed in due course. As we know, and there is a lot of history involved, the transfer of main roads maintenance to the parishes in return for the loss of welfare did not proceed for various reasons, and the revised way of equalising welfare was tabled last year in the form of P.66. When I attempted once again to raise this inequity that exists, I was told that that was not the time to do it. I never quite understood why it was no longer the time to do it but it was not, but I was assured by Members that I should bring it up again, bring it back to the States and the feeling was that it would then be approved. It does seem to me that rather like the previous strategic principle that we are addressing, whether the States should pay rates on its properties or whether it should bring forward proposals about it, this is very similar. What this amendment is asking is that we agree that as part of our strategic plan, proposals are brought forward to ensure that the way we fund public amenities in the Island, it does not mention St. Helier, it just says the way we fund public amenities should be done in an equitable way. I must say I was quite surprised that that was not accepted by the Council of Ministers. I did expect an amendment. I thought that I might be asked to accept "in 2007" or in the newer words of the Minister of Treasury and Resources "by 2007". So, Members can imagine my surprise when I got through the comments which came through fairly recently, another 6 liner, no, it is an 8 liner from the Council of Ministers. I was really surprised, and I felt a bit like how Deputy Scott Warren must feel in her struggle to get 3rd party appeals through, or Deputy Le Claire trying to get work permits. You keep coming back to the States with an issue of principle and you keep getting told that now is not the time to ask for this principle to be agreed. I was even more surprised when I read the first or second sentence of the report. The Connétable is asking for equitable funding but unfortunately he has not explained what he needs. Well, the report that I tabled is, with the appendices, runs to 10 pages and I think no one who read that report from cover to cover could really mistake the point that I was bringing forward. Just as I was asking in the previous amendment we have discussed that the States bring forward proposals about the possibility of paying rates, so in this amendment I

am asking the State that the Minister, or the department concerned, to bring forward proposals to ensure that the funding of public amenities is equitable. Now, if the Council of Ministers do not understand what the word equitable means in that context, I would suggest they re-read my report, but for the avoidance of doubt, we have a situation where public money is being expended for example, on the maintenance of shall we say Millbrook Park, a fabulous park and one which I use with my family a lot, and it is kept to a very high standard, and yet that money is not available for the maintenance, for example, of Parade Gardens, another very well maintained park. We are not interested at this stage in who does the gardening and who they work for, even whether that is efficient or not, and clearly that is something which has been and is being discussed. We are interested in whether it is fair that tax payers' money is being expended in one area and not in a similar area, and I would suggest that this is similar, in a way, to a previous amendment I brought to do with the funding of nursery care. It is not equitable there and I use the same word here. It is not equitable for tax payers' money to only be put into certain areas of work. I just want to address one other aspect before I allow the amendment to be debated. There is, of course, concern about the duplication of activity between the 2 largest, but not the only, providers of public sector facilities; that is the Parish of St. Helier and the Transport and Technical Services Department. It is fair to say that we have a Memorandum of Understanding and we are talking to each other, certainly at officer level and sometimes at political level as well. We are talking together about how we can tackle that duplication. One of the early wins we identified was in toilet provision. It is not a particularly interesting subject to some people but it is extremely important that a large town is well served by those facilities, and one of the most interesting things that has come out of those early discussions is that even if the parish hands over the maintenance of the public toilet it provides in St. Helier, it will have to pay the Transport and Technical Services Department to manage them. So, I do not see how that helps the fundamental inequity of the situation where public toilets around the Island are provided by the tax payer, but the ones located in St. Helier are funded by the rate payer. It cannot be said that the only users of public toilets in St. Helier are rate payers of St. Helier. It might be achievable but I suggest it would not be desirable, and so I would reassure any critics of this amendment that we are working, both politically and at officer level, between our 2 departments to tack this area, but the fundamental inequity involved is that the rate payers of St. Helier should not have to foot the bill which should be footed by the tax payers of Jersey. This amendment is designed to ask the Treasury and Resources Department to come forward with proposals about how that can be tackled. I do not believe it is appropriate as the other comment that they make is that I should bring forward, I should take the lead and bring forward, and do all the work and bring it forward. This is tax payers' money we are talking about, the money of the tax payer is being expended in a way which is inequitable, and I believe it is up to the department to come up with a solution for that problem. I am very happy to work with them in another working group to try and come up with some recommendations as to how we may sort this out. I maintain the amendment.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? **[Seconded]**

**1.13.2 Deputy G.W.J. de Faye:**

It is always a pleasure to follow a speech from my good friend, the Connétable of St. Helier. **[Laughter]** No, I know he is a good friend because he lays down projets for me to answer, so we can debate it here in a friendly way. He organises parish meetings that I am obliged to attend **[Laughter]** so he can see me more often, and only recently, he has told me that he

wants to see me in court as well. **[Laughter]** So, I know I am obviously very popular as far as he is concerned. I hope I can conclude this, and I apologise to the Connétable's bench and the Senators who will not have a good view, but I will simply conduct a small experiment that radio listeners will not be able to enjoy, call upon the Deputies on this side of the House just to take a close look at the Connétable of St. Helier because his facial expression will, I believe, prove my case when I tell you that the Connétable of St. Helier is trying to pull a fast one. **[Laughter]** Now, why would I make such an outrageous accusation? Well, on essentially 2 counts. First of all, I believe the Connétable doth protest a little too much about all the people who come to town. Now, why do they come to town? They come to town to work. They come to town to shop. They come to town to aid the commerce and all the commercial and retail activity of our capital, and some of them use the toilets, and some of them do drop the odd bit of litter into the gutters. It would seem, would it not, that this is a terrible, terrible burden for the Connétable and his parish to bear were it not for commercial rates, and suggestions that we may allow States buildings to be rated and, therefore, the prospects on the very near horizon that the Connétable of St. Helier, unlike any other parish in the Island, is very shortly going to amass huge piles of loot. Is it simply not fair that he should be expected to service some of all those people who come in and make his town so very prosperous? I think he should think about that a little more seriously than he has done. Now, it is indeed true that there have been discussions quite rightly about duplication of services. Indeed, one of the perks of being a new Minister is that you can delve around in the files and find out stuff that you really did not know existed, and this interesting paper is called "The Memorandum of Understanding between the Environment and Public Services Committee and the Parish of St. Helier". It does, I think, and I think that Members will understand where I am coming from when I say this does beg the question of what exactly is equitable? Are we going to be dealing on a fair playing field? Now, this, I will just read briefly a few little extracts, so you can understand the general flow of what took place. "This is an analysis of the service areas by joint officer group which identified duplication in municipal services provided by the Public Services Department and the Parish of St. Helier. Financial and operational reviews were undertaken to demonstrate that elements of duplication can be removed with the potential for achieving financial savings to the benefit of both organisations and members of the public." So, when you look at the figures at the back, the Parish of St. Helier might do better than the Public Services Department in some areas on a unit basis, which is footpath maintenance per metre, the Parish of St. Helier can do that for £1.53, whereas I regret to say, Transport and Technical Services would have cost you £4.34. However, things started to change a little when we went to street cleaning. The Parish of St. Helier cost £14.33 per metre of street whereas Transport and Technical Services were £9.68. But perhaps the most telling area is toilets are popular in everyday folklore. Public Services clean and maintain 44 public toilets on an Island wide basis, including sites within St. Helier. They are cleaned by single mobile gangs who work on an 11 hour alternating shift. Public Services refurbish 3 toilet blocks a year at an average cost of £70,000 per toilet block as near as possible to vandal proof standard. This regime of cleaning and maintenance allows all toilets to remain open 24 hours a day, 365 days a year. The impending merger of public services in the harbours, strange it did not happen, will see all the harbour's toilets transferred to Public Services. The Parish of St. Helier has 6 toilet blocks, one of which is now closed at Victoria Park. Broad Street Gents would have previously made this number 7 but this toilet block has now been converted into a café, interestingly earning some lease rental for the parish. Historically, the parish employed static cleaners in their toilets and have not carried out any major refurbishments for many years. This low level of maintenance has led to increased vandalism which in turn has led to the requirement of static cleaners and the locking of toilets outside normal working hours. In 2005, Conway Street Ladies' toilets was refurbished to Public Services vandal proof

specification and converted into a combined ladies and gents facility to take account of the loss of Broad Street Gents, and here is the punch line. Public Services clean and maintain each block for £3,804 per year, with the parish spending £21,770 per block per year. So, how equitable is it when all of a sudden tax payers will be asked to chip in for the Parish of St. Helier's maintenance. Not very equitable in my view, and I think we have a very long way to go before we should simply accept this amendment because we are not playing on a level playing field, and that needs to be very seriously sorted out. So, I say I welcome more discussions with my good friend, the Connétable of St. Helier, but I really do not think that this amendment should go into the strategic plan because we have got an awful lot of work to do, and in particular, the Parish of St. Helier, I think, really has to come up to speed if we are to come anywhere near to saying we have a equitable situation and a level playing field.

### **1.13.3 Deputy G.C.L. Baudains:**

It is one of those rare occasions where I find myself agreeing with the Minister for Transport and Technical Services. **[Laughter]** If taxpayers are going to pay for facilities such as the toilets in St. Helier, I would ask the Connétable what assurances he can give that the facilities would be available for people to use when they need them? As the previous speaker has said that there are toilets which seem to be closed when anyone needs them the most, I cannot see the equity, Sir, paying for such facilities when one cannot use them. Referring to the Conway Street toilets, they are unsuitable for some people since they were modified and the Parade toilets seem to be forever closed.

### **1.13.4 Senator P.F.C. Ozouf:**

I do not want to add insult to injury to the Connétable. However, I have to say **[Laughter]** that I will. I have a record in serving this Assembly of attempting at all times to build constructive, positive relationships with the Parish of St. Helier as a former Deputy and everything that I have ever done. It was me who signed that Memorandum of Understanding that Deputy De Faye spoke about. It was signed in a way with a desire to be dealing with some of the inefficiencies and duplications with the parish and Public Services. It was signed because we wanted to sort some of the age old problems of inefficiency and duplication before even getting on to the issue of equity because, of course, before we can understand what the issue of equity is you have to understand what the costs are. I can say to this Assembly with absolute honesty that despite the fact that Memorandum of Understanding was set out and was agreed, it was absolutely tortuous for months to get any co-operation, any information, out of the parish. I have to say it was sad. I am afraid the relationship between the former Public Services Department and the parish is blighted by effectively a one-way street. Give us all of the problems or let us pass over all of the problems and not take any responsibility for any of the issues themselves, a series of chaotic meetings, cancelled meetings on numerous occasions. We tried to discuss efficiencies with terms of gully emptying, parks and gardens, who should clean streets, but I am afraid we never got to any final conclusion on most of the issues because the rules of the game, first of all, there was no information from the parish and when we finally did do it, the rules then changed. I regret to say it but the Connétable needs to raise his responsibilities, raise his game if he is going to give us the opportunity of dealing with some of these issues. The issues of toilets have been raised. We had an agreement, I thought, in respect of toilets. I and other people in this Assembly, worked with the Connétable extremely hard to deliver a joint projet with Broad Street, something I am very proud of. There were agreements made at that time in respect of responsibility of toilets. I now understand, and I hear with great regret, that those agreements

have now been broken. In fact, only last week, we found out that the parish, far from agreeing and putting forward their arrangements with toilets, are now thinking of selling off without any communication, without any joint working, selling off one of the sites for toilets. I am afraid the Connétable lectures us a little too much. If he wants to solve the issue of equity then he needs to take responsibility for his own parish, deliver the efficiencies that are there for the taking, and then we can have a sensible debate. In his summing up, he will, no doubt, make great play and try and get all the Deputies of St. Helier on his side in respect of suggesting that there has got to be support for this unfair burden. But those Deputies, of which I was one once too, let them think about whether they have heard any evidence, any financial evidence of this so called unfair burden because there are no figures in the report and there is also that issue of commercial rates.

#### **1.13.5 Deputy P.V.F. Le Claire:**

Well, Sir, I stood to second the proposal of the Connétable of St. Helier and I did discuss with him briefly, before this debate, my support for his proposal but I must say I am gobsmacked by the speech of Deputy De Faye. I would like to say I am looking forward to the Connétable being able to convince me that my seconding of his proposition was the right thing to do **[Laughter]** because I am seriously in doubt of that myself. However, to throw him a lifeline, I might like to suggest that perhaps he might want to bear in mind, if he does not have the answers already, the usages of facilities in respect of the administration of maintaining them, viz-a-viz numbers, et cetera, but I still cannot fathom £21,000 over £3,000. I would just like to end, you know, a long day with as short a speech as possible by commending the people that maintain the parks and gardens, whether they be Public Services' personnel or whether they be Parish personnel because I do believe that we have got some of the loveliest parks in the world in Jersey in the various parishes and it is a wonderful thing to see the visitors commenting upon it. I grew up opposite the Howard Davis Park and walked through it every day on the way to the Dicq beach, at least 4 times a day depending upon where the tide was to get different things to play on the beach with, but I was constantly aware of the quality of life aspects that these parks provide and how justly and proud we should be of these facilities. I would say I am a little bit, and have been a little bit disappointed in the past over the issues of toilet provision, especially in St. Helier, but I would also add that having listened to Deputy de Faye and Senator Ozouf today, I am appreciative of the recent improvements that have been ongoing in the outlying parishes to provide what are world standard facilities in relation to toilets. Some of the improvements we have seen are admirable. I am a little concerned to hear that we might be losing another toilet facility in St. Helier because I am constantly being told that there are not enough facilities for people in respect of toilets. So, I do hope that the Connétable will forgive me if I drop away from his support unless he has got a devastating speech to give us. But I would say that apart from commending the parks, and I think we need to put some more into that, apart from commending the parks and the personnel in providing a wonderful facility, I am a little bit alarmed to hear what I have been hearing today, and possibly will ask the Connétable to put this on an agenda item for Shreg in the forthcoming meetings we have because it would seem that something is awfully awry in St. Helier.

#### **1.13.6 Deputy P.J.D. Ryan:**

I do not like to see debates diverted away from what this amendment is about. It is not strictly about whether the Public Services Department, Transport and Technical Services Department can maintain a particular facility cheaper or more expensive than St. Helier's personnel. In fact, I am sure that the Connétable, if he tried, could find something else where the reverse

was the case. What this is really about is the logic of facilities that are used Island wide, should they be funded centrally or should they be funded by parishes? I think that is what it is about and I am going to support the Connétable on it. I am because I think we do need, we do need some kind of investigation as to whether this is equitable, whether it is right, and I am afraid I will support the Connétable purely on the basis of the logic.

#### **1.13.7 Senator F.H. Walker:**

I am a former Deputy of St. Helier and I have always accepted that St. Helier needed to get a fairer crack of the whip, but I think in common with other speakers, the Connétable here is just pushing his luck a bit too far, and he does as Deputy De Faye said, protests too much. As Senator Ozouf has said, we are not looking here at a level playing field, and we must understand much more clearly than we do, the costs associated with this amendment. Sir, sadly, the relationship between the States and the Parish of St. Helier has, Senator Ozouf said, become a one-way street. Already we have moved welfare across to the centre, to the tax payer already, and that has relieved the rate payer of St. Helier to the cost of the rate payers everywhere else in Jersey, well, I am not going to say everywhere else, but in the majority of parishes that has relieved the rate payers of St. Helier of that burden. I have to say that is something the Connétable of St. Helier seemed singularly incapable of recognising and applauding and I am very sad by that. Now the Connétable also wants to move rates on States buildings to the tax payer and he also wants to move the cost of public parks and toilets, etc, and he has very cleverly said: "I am not saying to whom it should go but it is either going to be the rate payers of other parishes or it is going to be the tax payer, or a combination of both." There is no escaping that at all. So, everything is moving in one direction. I fully supported the welfare change because it was inequitable, but to try and pile everything else on top of it straight away, without clearly doing all the work that needs doing in a parish itself, is just absolutely, in my view, a step or several steps perhaps, certainly 2 steps too far. Sir, the Connétable of St. Helier has a fantastic opportunity open to him. He has a fantastic opportunity to grab hold of St. Helier, raise the quality and he, although it is mainly Transport and Technical Services, it has been a bit of both, have done a very good job in many respects in improving the quality of St. Helier. But he can go several stages further and the States have accepted that. We have set up an urban regeneration group totally funded by the tax payer to look at improving St. Helier, the Urban Regeneration Group. St. Helier pays nothing towards that at all. The cost of the consultancy is entirely borne by the States. Now, come on. Let us have some fairness here. Let us not just have a one way street. Let us have a recognition of the massive contribution the States is already making to the rate payers of St. Helier and let us not push our luck and try and go too far. Sir, I would suggest, and instead of complaining which he frequently does, the Connétable of St. Helier should grab that opportunity, should look at the way he is administering the parish, should ensure that we are not continuing to be faced with, as Senator Ozouf has said, a series of cancelled meetings and indeed, as we have heard this afternoon, broken promises. Get on with the job, Connétable, run your parish more effectively, be grateful for the support you have had from the previous Policy and Resources Committee and the States in moving the welfare burden as you wanted into funding the necessary work for your regeneration programme. Let us have a bit of fair play around here and please do not push your luck at the cost to or transfer the burden to either, or further transfer the burden to either rate payers of other parishes or the tax payer. It is just not fair.

### **1.13.8 Deputy J.J. Huet:**

I am a Deputy of St. Helier and I have been now for, I am in the 13th year, and I regard myself as very lucky to be a Deputy of St. Helier. St. Helier has been my home all my life and we have some fantastic parishioners. For a long time, we have always worked extremely well with our Connétables but I have to say the last few years have been extremely difficult. The Connétable, I will admit, is a very clever man but he does not seem to have a great deal of contact with his Deputies. It is very difficult because how can you work for the welfare of your parish, whether it be for welfare, for rates, for parish meetings, to help people if you cannot communicate, and we find this happens not just once, and I really do not like to say nasty things about people or whatever but, you know, we can arrange meetings like for a popular youth club, we can arrange meetings for something else, and sometimes the Connétable calls the meetings and then he does not come, or he sends his apologies, or they are cancelled at the last moment. It is very difficult. The St. Helier Deputies are, on average, good Deputies. They put a lot of work into it and they put a lot more into it, but it is very difficult, so unless we all sort of start getting on the phone to one another, which the Deputies of 3 and 4 have started doing now because it is the only way that we can seem to stay in contact of what is going on in our parish. Now, I never thought I would be envious of the parish Connétables because I come from St. Helier. I am a townie. But I sometimes think I wish one of them was my Connétable because we might have some more togetherness **[Laughter]** and we just have not got it and it is very difficult. But I would just ask the Connétable, I am on Technical Services, as my Minister, and, you know, the Connétable will come and see us and then he will go out 4 times during the meeting to make a telephone call. It is very difficult to get through to people, and I would just say that maybe we could start and communicate a bit better because until we come to do that, the Deputies find it difficult to work together. They are a good bunch and they would do a lot of good, and I just hope that maybe we can turn over a new leaf and maybe get some working relationships between us because it is very difficult. St. Helier is not an easy parish. It is a big parish, but it is a good parish and we have got good people in it, but the feelings in the Town Hall, in the Welfare Department, it is so negative now. It is very difficult to fight against this. We try as hard as we can but I am now saying to people: "Oh, will you come and do so and so?" They will say: "Oh, no. Don't want to. No, no. We've heard about it." Now, we do not want that. We have got to work together and I do ask, please, let us try and, you know, get started again and turn over a new leaf because we are not getting anywhere the way we are going on. Thank you, Sir.

### **1.13.9 Deputy J.A. Martin:**

I have to speak now after Deputy Huet because she is obviously not speaking about the same Connétable. I am known as the Connétable's favourite Deputy and maybe after this speech **[Members: Oh!]** I will still be. We have a meeting at least once a month. **[Laughter]** Oh, dear, oh, dear. Sir, we have a meeting at least once a month, every States sitting at 8.00 a.m. here in this building. Not all attend. Now, we have had Town Hall meetings and since we have had this Connétable, rates meetings have been a pleasure to attend and they have been well organised, and I really cannot understand where the Deputy - we have noticed, and I do find it sad, but we seem to notice not a split of the Deputies of St. Helier, we have noted a split of the Deputies who are in the executive and not in the executive of St. Helier. **[Laughter]** Yes, and even at the Town Hall the other night, out of 7 votes against closing down the composting site was the 3 Deputies for St. Helier and, of course, the other one was the Minister for Transport, and I counted only 2 other people from the public. Now, I think that the Minister for Transport and Technical Services has given an excellent reason why he

should take over at least our toilets because he is doing such an efficient job **[Laughter]**, an absolutely excellent reason and why we do have all the people. In all the other parishes, they do not maintain their own parks, their own toilets.

**Connétable T.J. du Feu of St. Peter:**

Oh, yes, they do, Sir, yes. **[Laughter]** I can endorse that, Sir.

**Deputy J.A. Martin:**

I am sorry if I was under the misconception. St. Peter does then.

**The Connétable of St. Peter:**

A number of other parishes as well, Sir.

**Deputy J.A. Martin:**

Well, all I can say is that we have, in St. Helier, a lot of people from other parishes who use and for work and for pleasure come into the Town Centre, and as I have already said, I feel that the Connétable is doing a good job. He may be, at the moment, pushing his luck a bit because we have got welfare. We have got welfare but also, at the same time, I do not have a problem because every other parish must have a relative who has been pushed in to living in St. Helier in the last 20 years because I do not think many other parishes, except St. Clements and St. Saviour, has had much building. **[Laughter]** Well, since last year St. Helier has had 520 something and the rest of the parishes do not even add up to that in one year, so I do think we have a strong case. I really am sorry that Deputy Huet feels she had a new Connétable. Maybe she should move to a new parish. That is all I could say. Thank you, Sir. **[Members: Oh!]**

**The Greffier of the States (in the Chair):**

I call on the Connétable to reply?

#### **1.13.10 The Connétable of St. Helier:**

Just as well we have broad shoulders in this game, is it not? There has been very little debate in this debate so far about the actual proposition and I am going to address the proposition first before possibly just responding to a couple of the remarks by the speakers, but I am not, by any means, going to address them all because I think that would not be helpful. The essential proposition asks the States to address how we pay for public amenities in Jersey. Now, I know that some parishes contribute to the maintenance of public amenities and that is why the proposition does not say just St. Helier should be looked at. If St. Peter rate payers are paying for something which is enjoyed by the Island as a whole then that should be met by the tax payers and not uniquely by the rate payers of St. Peter. It would be grateful if the Senator would allow me to continue without barracking. I do not have any problem with that principle and I just remind Members of the report produced by Deputy Crespel's working group. Nothing has changed since this report was lodged. Nothing has changed. Welfare has been moved which was its main job, and I said at the beginning, hallelujah for that, and I was quite astonished by Senator Walker's remark. He said that I was singularly incapable of recognising the significance of the shift to welfare. I said: "Hallelujah." I do not know how much stronger I could say it and I said it was a historic moment. Perhaps he was not in the Chamber when I said that. It has been an historic victory for equity in the parishes and I think I gave adequate attention to that. But just because the welfare burden has been corrected, does that mean that St. Helier now has the lowest rates in Jersey? No, it does not. St. Helier on the

league table when the rates are worked out this year will, I suspect, come about halfway down, and the reason St. Helier does not have the lowest rates, and of course it ought to because it has the most rate payers, is not because the parish is inefficient as the Minister of Transport and Technical Services would have us believe, and without going into some of the criticisms of the Chief Minister, I would challenge him on grounds of efficient running of administration, and I think I know what we would find out. Certainly, my rate payers have confidence in my ability to drive down costs, I think, far more than we have seen in the public sector operated in the Island as a whole. So, the fact remains that St. Helier rate payers are picking up a bill which, for centuries, they have felt is unfair, and if Members feel that St. Helier is now rolling in money, I would remind them that about £1 million of our budget is spent on maintaining parks and gardens. Now, if Members think that is inefficient then why do they not go up to the Municipal Depot and talk to the Director of Municipal Services and see where they would cut? What gardens? What parks in St. Helier they would have turned over to the uses of La Collette Gardens which, of course, Public Services wanted to do a few years ago? If Members have forgotten, Public Services wanted to stop maintaining La Collette gardens, the part that they operated, and they wanted to turn it back to sort of a wild life garden. Now, of course, and we have a lecture on bio diversity coming up shortly, that will be very good for bio diversity but it is not what the tourists want in La Collette Gardens. The parish stepped in and instead of the gardens reverting to wilderness, we maintain the other half of La Collette Gardens with the same staff and the same revenue budget as we had before, and the States, that is Land and Public Services Department, said they needed a whole member of staff or more to maintain it. So, that little example of the efficiency of the parish when compared to the other public sector provider, I think, speaks volumes. So, I am not going to go on a length. There has been some really quite extraordinary remarks made about my ability to run the Parish of St. Helier and all I would say is: "Well, I am up for re-election at the end of next year and if Deputy Huet thinks I am making such a bad job of it, perhaps she should have a go at it herself." Certainly, Deputy Martin, I thank her for her comments, observed that rates assembly as the crucial budget setting in St. Helier, have gone from being disorganised and very expensive fiascos to extremely well controlled meetings and I pay tribute to my staff, in particular, my Finance Director and my Procurers, du bien Public for helping me create that atmosphere of well organised and well administered parish. It is some, and I am grateful for the fact that some time ago I amended the States proposition and got a Hansard put in place because I will certainly be looking forward to going through the comments of some of the Members and challenging them. I am not going to do it now because it is late and I still believe we could get through this strategic plan in the time we have available, but as I say, I will be coming back to people like Deputy Huet, Senator Ozouf, Deputy De Faye, and I will be challenging them to provide the evidence of all these missed meetings that apparently have gone on. I will be asking Deputy Huet to say how many of the St. Helier representatives meetings she has attended that I call every month. How many newsletters she has read that I have produced which were never produced before? If she really thinks my communication skills are so bad, perhaps she should get on the email system because, to this day, I have to send a separate fax to Deputy Huet every time I call a meeting. So, there we are. The States appear to have shifted yet again from where they were in 2004 where, by a large majority, they accepted equity was required. As I say, I am grateful that welfare has gone but this burden also has to be dealt with and I will be coming back with, as requested by the Council of Ministers, I will be coming back with another proposition because I am tenacious and I will not give up. Before asking for the Appel, Sir, I will just pick up one comment, and I think Deputy Le Claire, who sounded a little bit forlorn in his speech, he asked for my forgiveness if he votes against this, and I would say to the Deputy: "Do not

ask for my forgiveness, Deputy. Ask for the forgiveness of your electors if you decide to vote against this particular proposition.” I maintain the amendment, Sir, and ask for the Appel.

**The Greffier of the States (in the Chair):**

Very well. Are Members content to proceed with the Appel Nominal? **[Laughter]** I will ask the Greffier to call the roll?

**POUR: 10**

Connétable of  
St. Helier  
Deputy R.C.  
Duhamel (S)  
Deputy R.G.  
Le Hérisssier (S)  
Deputy J.A. Martin  
(H)  
Deputy P.J.D. Ryan  
(H)  
Deputy P.V.F.  
Le Claire (H)  
Deputy D.W.  
Mezbourian (L)  
Deputy S. Pitman  
(H)  
Deputy A.J.H.  
Maclean (H)  
  
Deputy of St. John

**CONTRE: 36**

Senator L. Norman  
Senator F.H.  
Walker  
  
Senator W. Kinnard  
Senator T.A.  
Le Sueur  
  
Senator P.F. Routier  
  
Senator M.E. Vibert  
Senator P.F.C.  
Ozouf  
Senator T.J.  
Le Main  
Senator B.E.  
Shenton  
Senator J.L.  
Perchard  
Connétable of  
St. Martin  
Connétable of  
St. Saviour  
Connétable of  
St. Mary  
Connétable of  
St. Peter  
Connétable of  
St. Clement  
Connétable of  
Trinity  
Connétable of  
St. Lawrence  
Connétable of  
St. John  
Connétable of  
St. Brelade  
Deputy A. Breckon  
(S)  
Deputy J.J. Huet  
(H)

**ABSTAIN: 0**

Deputy of  
St. Martin  
Deputy G.C.L.  
Baudains (C)  
Deputy P.N. Troy  
(B)  
Deputy C.J.  
Scott Warren (S)  
Deputy S.C.  
Ferguson (B)  
Deputy of St. Ouen  
Deputy of Grouville  
Deputy of St. Peter  
Deputy G.W.J.  
de Faye (H)  
Deputy J.A.N.  
Le Fondré (L)  
Deputy of Trinity  
Deputy S.S.P.A.  
Power (B)  
Deputy K.C. Lewis  
(S)

Deputy I.J. Gorst  
(C)

Deputy of St. Mary

#### **1.14 The Greffier of the States (in the Chair):**

Bring back electronic voting. The amendment has been rejected; 10 votes were cast in favour, 36 votes against. Very well, we come now to the next amendment in the name of the Deputy of St. Ouen. It is quite lengthy. Deputy, are you happy we take it as read? I will therefore ask you to propose it.

##### **1.14.1 The Deputy of St. Ouen:**

This amendment as stated simply underlines the many decisions and commitments the States have made within the couple of years and approved in last year's Strategic Plan. I would just like to highlight a couple of the points that are being included: "1. Publish the Annual Performance Reports and present the Annual Business Plan in a form that reveals the full cost of providing services." That is really designed just to ensure full accountability. "618. Ensure that the revenue consequences of capital projects and the legislation programme are fully quantified and that the ongoing costs of new and amended legislation are fully understood and provided for." These are aims that were included, as I say, in last year's Strategic Plan but somehow were missed out of this one. Finally, we have already agreed to look at the criteria for the strategic reserve, but here I am asking that we agree a policy for the strategic reserve. I do believe that the Council of Ministers supports this amendment so I will sit down.

##### **The Greffier of the States (in the Chair):**

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

#### **1.14.2 Senator S. Syvret:**

Sir, I am happy to confirm that all the sound proposals of the Deputy of St. Ouen are endorsed by the Council of Ministers and I, on behalf of them, accept the amendments.

#### **The Greffier of the States (in the Chair):**

Do you wish to reply?

#### **1.14.3 The Deputy of St. Ouen:**

Thank you for Senator Syvret's kind words. I am pleased he is back on track again. Thank you. [Laughter]

#### **1.15 The Greffier of the States (in the Chair):**

I put the amendment. Those Members in favour of adopting it kindly show it. Against. The amendment is adopted. We come next to the third amendment in the name of Senator Perchard. Once again they are quite lengthy. I ask if you propose them, Senator, without them being read.

#### **1.15.1 Senator J.L. Perchard:**

Yes, Sir. I would like to propose the amendment as taken as read. I am delighted the Council of Ministers has accepted my amendment and I thank them for doing so. I make this amendment as I believe there is a requirement for ongoing research and debate regarding the provision of public services. I am sure every Member in this Chamber wishes for better, simpler and cheaper services. The question is how do we deliver better, simpler and cheaper. If we are mindful to achieve meaningful savings in public spending we must continue to look closely at how to realise best value. I am aware of the efforts being made at the moment through the programme of efficiency reviews and I welcome that. So, with this in mind, I make the proposition, a proposition that will require, through a programme of rolling reviews, the search for viable opportunities to embrace new technology and involve other providers in the provision of services. My proposition goes on to say that the Executive will be required to identify those services that might be provided more efficiently by other providers then to identify suitable pilot reviews, one of which to be undertaken during next year in an effort to prove that there will be genuine benefits for the people of Jersey who are, after all, the consumers as well as the paymaster. I ask Members to accept this proposition which will enable the Council of Ministers, their chief officers, and their departments to become better informed as to the opportunities to provide better, simpler, cheaper services. It might be that there are no benefits or opportunities that will be identified but of course we will never know unless we look. With that I make the amendment, Sir.

#### **The Greffier of the States (in the Chair):**

Is the amendment seconded? [Seconded] Does any Member wish to speak on the amendment? Deputy Le Hérisier.

### **1.15.2 Deputy R.G. Le Hérisssier:**

Yes, Sir. I would just like to say a few words. I mentioned this morning and I mentioned earlier in the debate about business methods in the States. There is a whole range of proposals running around about how to cut back, and we all get very excited by this and people focus on individual things. I raised the issue of the airport the other day, and the issue of the post office has been raised recently, and I see the postmaster leaving us as I speak **[laughter]**, and we all get very frustrated by this, Sir, and there have been many initiatives done by the States like benchmarking. What I would say, Sir, and I have had a word with Deputies Ferguson and Reed, and of course Senator Perchard. They are on the PAC. They have a perfect launch pad by which to get a systematic look at this on our behalf. They are sceptical about what the Executive is doing. You have the power, but let us do it systematically. I mean, I keep asking these questions, and I have to ask Deputy Maclean about the airport, and we all saw how he, having joined the establishment, despite being a person of the utmost integrity, he has been taken in by some of the arguments. I hope, Sir, the PAC can act as our representative. I hope they can develop some strong methodology and they can speak to us and the public in terms that make sense and get a grip on the overall situation by working, to an extent, with the Executive. So, all well and good what the Senator is proposing, but rather than taking kicks in all sorts of directions, let us get this thing as a methodical study and one that means something to the public, on the road.

### **1.15.3 Deputy G.C.L. Baudains:**

Just 2 very quick comments. I cannot help but remembering this morning, in another debate, that we were told our public service is now ultra-efficient and really the only way we could reduce any expenditure would be to make cuts in it. In that case, if that is so, then I am slightly mystified as to why the Council should decide to agree to this, which is a suggestion that at least we should look at it. The only other comment I would make, Sir, is in 621 to implement a programme of internal reviews. I am not quite sure if I would agree that internal reviews is necessarily the best way forward.

### **1.15.4 Deputy G.P. Southern:**

It is coming to the end of a long day but it struck me that Senator Perchard asked me earlier. He said: “Surely, surely there is something we can agree on” and I said: “You might have to search far and wide and for a long time to find it” and this is not one of them. We certainly do not agree on this. This looks to me, yet again, like tired stale old 1980s theory about all private good, all public bad, and really I cannot accept this sort of approach and I am surprised. No, am I surprised? Mildly surprised that the Council of Ministers has accepted this old hogwash. I will be calling for the Appel later so I can vote against it.

### **The Greffier of the States (in the Chair):**

I call on Senator Perchard to reply.

### **1.15.5 Senator J.L. Perchard:**

I can assure Deputy Le Hérisssier that the Comptroller and Auditor-General, if the comments of the Council of Ministers are to be taken as read, we will monitor these reviews and results of reviews will be available for Scrutiny, and I would endorse those comments from the Council of Ministers and I hope PAC will do so as well. It is a great opportunity to have a look at the options and I know Deputy Southern and I are not going to agree on this one, but

basically the proposal is nothing more than let us have a good look at the alternatives, the options available in the provision of services, in an effort to provide better, simpler, cheaper, and it is nothing more than just have a good look. Internal reviews were proposed by myself simply in an effort to reduce the costs of this proposition. To have an external auditor, it could have been an endless trail and, of course, as Members will know, I am very concerned about public spending and it was simply to conduct the reviews internally with an effort to reduce cost. So, with that, I thank Members and I would particularly like to thank the officers at the Chief Minister's Department who helped me in the preparation of the proposition in order that it could really be achievable and I think, without wanting to name any individuals, there is one there that who knows who I am talking about, and I thank her for that, Sir, and I make the amendment.

**Deputy P.V.F. Le Claire:**

Is this going to be voted upon in separate parts, Sir, or is it just one go?

**The Greffier of the States (in the Chair):**

I think the Senators proposed it en bloc. I guess it is specially one package. Deputy Southern has asked for the appel and I will therefore ask the Greffier to call the roll.

**POUR: 44**

Senator S. Syvret  
Senator L. Norman  
Senator F.H. Walker  
Senator W. Kinnard  
Senator T.A. Le Sueur  
Senator P.F. Routier  
Senator M.E. Vibert  
Senator P.F.C. Ozouf  
Senator T.J. Le Main  
Senator B.E. Shenton  
Senator F.E. Cohen  
Senator J.L. Perchard  
Connétable of St. Martin  
Connétable of St. Saviour  
Connétable of St. Mary  
Connétable of St. Peter  
Connétable of St. Clement  
Connétable of Trinity  
Connétable of St. Lawrence  
Connétable of St. Brelade  
Deputy R.C. Duhamel (S)  
Deputy A. Breckon (S)  
Deputy J.J. Huet (H)  
Deputy of St. Martin  
Deputy G.C.L. Baudains (C)  
Deputy P.N. Troy (B)  
Deputy C.J. Scott Warren (S)  
Deputy R.G. Le Hérissier (S)  
Deputy J.A. Martin (H)  
Deputy of St. Ouen

**CONTRE: 3**

Deputy G.P. Southern (H)  
Deputy S.C. Ferguson (B)  
Deputy P.V.F. Le Claire (H)

**ABSTAIN: 0**

Deputy P.J.D. Ryan (H)  
Deputy of Grouville  
Deputy of St. Peter  
Deputy J.A. Hilton (H)  
Deputy G.W.J. de Faye (H)  
Deputy J.A.N. Le Fondré (L)  
Deputy D.W. Mezbourian (L)  
Deputy of Trinity  
Deputy S.S.P.A. Power (B)  
Deputy S. Pitman (H)  
Deputy A.J.H. Maclean (H)  
Deputy K.C. Lewis (S)  
Deputy I.J. Gorst (C)  
Deputy of St. Mary

### **1.16 The Greffier of the States (in the Chair):**

The amendment has been adopted. 44 votes were cast in favour and 3 votes against. We now come to number 62 which is a green amendment in the name of the Council of Ministers. I take it Members are content to take that as proposed. We therefore come to number 63, the fourth part of the 13th amendment in the name of the Deputy of St. Ouen. I will ask the Greffier to read the amendment.

#### **The Deputy Greffier of the States:**

After the word “appendix” insert the words “except that”. 4. In commitment 6, outcome 62, after action 629 insert the following new action: “6210. Review policies on the improvement of the delivery and efficiency of public services to ensure continued progress.”

#### **1.16.1 The Deputy of St. Ouen:**

Again, it is very self-explanatory. I will just say that I chose to add this in because this is a 5-year plan and I believe that it reflects the view of this Assembly. I also believe that the Council of Ministers has accepted this proposition.

#### **The Greffier of the States (in the Chair):**

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

#### **1.16.2 Deputy S.C. Ferguson:**

I did not agree with the previous amendments because I feel that with the new report coming out by the Comptroller and Auditor-General on the Internal Audit Department and the work that is being done by the PAC I think we do have the basis for reviewing of policies and efficiencies, and I would thoroughly support this amendment by the Deputy of St. Ouen which will utilise the Internal Audit Department and the PAC as much as the internal resources of the States. In fact, to keep track of this, and of course we will have the performance tables and the performance review, so I think this is an excellent amendment.

### **1.16.3 Senator F.H. Walker:**

Just to confirm that the Council of Ministers do warmly accept this amendment. It merely endorses what we are doing anyway, and fully intend to continue to do. We are singing from the same hymn sheet so we are grateful to the Deputy for bringing it and happy to accept it.

### **1.16.4 Deputy P.V.F. Le Claire:**

Sir, just to negate the request for an Appel, I am supporting this. I did not support the other one. Part of it I did not like, but I do support this and I do think that we can improve in areas and we should be looking to see if we can.

### **1.16.5 The Deputy of St. Ouen:**

I thank the Members that responded and I put forward the amendment.

## **1.17 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. Now we come to the second part of the 15th amendment, number 64, also in the name of the Deputy of St. Ouen. I am happy to take this as read, Deputy. I ask you to invite you to make the proposition.

### **1.17.1 The Deputy of St. Ouen:**

I wonder why the Council of Ministers protesteth so much. Last year's Strategic Plan quite clearly stated: "Develop a comprehensive strategy for States-owned utility companies and the success indicators were clear criteria for the protection and efficient provision of services provided by States-owned utility companies and optimise financial benefits for the taxpayer." Seemed pretty clear. Well, what definitely was not clear is what I read in this year's proposed Strategic Plan. If I can read it, it is probably easier to, 6.3, and my amendment suggested delete this and replace it with mine, says: "Maximise long-term value of States-owned strategic resources." Well, okay, yes maybe that is okay. It goes on: "indicated by strategy approved by the States, cost to the public purse, long-term asset value what we will do" we get next. This is the aims, and all of a sudden our aims, last year's aims, "clear criteria for the protection and efficient provision of services provided by States-owned utility companies", turns into "review ownership". Whoa, hang on. Where did this come from? Is this the way that we pay for our overspending? Let us have a quick cash sum. You have seen it happen in the UK. Flog off the utility companies. Dispose of them, take the cash. Then what? There is far, far more that needs to be done than just review ownership, which it clearly says in this plan. We need to ensure that our physical infrastructure is supported and provided for. We need to ensure that we broaden the scope of the proposal contained in the Strategic Plan. That is why I have asked, and I have amended the plan with the words that I have used. It is not necessarily, as I have said in my report, and again I am unbelievably amazed by the Council of Ministers' attitude and I wonder if they have ever even read the comments that I have put in my report that goes with the amendment, because I have said this does not necessarily negate the fact that we can look at it. But, and it is a big but, there is far, far more to it than just that. We need to ensure that we have those resources available for this island, and not only are they available but they are sufficient to meet their needs. There are some that even would argue that by having States owned or controlled utility companies, we enjoy a form of protection that we otherwise would not have and yet the Council of Ministers seems to have

chosen to ignore that, and there was no mention. What are we going to do? They say this is - the comments which are headlined: "Maximising the long-term value of States-owned strategic resources, well we are going to think about selling them." That is it. There is nothing else. Absolutely nothing. The other one, which we are going to tackle later which the Council of Ministers has supported in this case, they are going to review the ownership structure of the harbours and airports as well. As well. Talk about selling the family silver. I mean what do we want? To be held to ransom? I mean, we are already hearing that in some countries water is more expensive than petrol. Everyone says: "Oh, cannot happen here." Huh. We have already got water resources laws that want to charge us for our borehole water that we drag out of the ground, let alone the mains water and the cost of that. We have also got things to look at and we have highlighted them, and in fact I think if the Connétable of St Helier was here would probably agree, well certainly Deputy Duhamel would. We said we going to think of it through the environment. The environment equals new energy sources. Investigating all of that. That is part and parcel of the package, I believe, that goes with our utility companies, especially with electricity companies. What about all this population growth? We have said that we are going to ensure that we make our infrastructure correct. That is our water companies. We need the water. Can you imagine us with a situation where we have got a large population, we have not got sufficient water, we have flogged off the company and hey presto, all of a sudden the prices are sky-high. Who gets the benefit? Those that can afford it. No, sorry. There is a lot more work to do before we get to the point of reviewing ownership of these utility companies. I therefore ask States Members, please support my amendments. Give a clear message to the Council of Ministers that we expect an indicator, a success indicator as included in last year's Strategic Plan, was for the protection and efficient provision of services provided by States-owned utility companies. Thank you. As well as, sorry, I will add, as well as optimising the financial benefits for the taxpayer. As well as. So do not let them con you, and I mean it, do not let them con you that their amendments, their proposal in this draft plan, is the same as mine. It is not. It is not. Thank you.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? **[Seconded]** Deputy Ferguson.

**1.17.2 Deputy S.C. Ferguson:**

Yes, I totally agree with the Deputy of St. Ouen on this because the original draft, as he said, of commitment 6 referred to the maximised value of States-owned strategic resources and then review ownership, with a very clear implication that we should be looking at privatising this, which is not necessarily the maximisation of value. In the PAC we have had long philosophical discussions about the meaning of value for money. It seems that this is a concept that comes naturally to women with their significantly greater involvement in shopping. The cheapest is not always the best value. There are other factors that must be taken into account and similarly with the maximisation of value. There are other factors besides how much money can be realised from the sale of strategic assets, management control and security of supply, for example. For example, the UK may experience considerable problems in the future with regard to Russian companies, which are effectively controlled by the Kremlin, taking over energy companies. The States should consider very carefully the original policy and the implications if any of our -- or the original policy that was imputed and the implications if any of our utilities end up by being taken over by foreign companies with their own agenda. In such circumstances a bird in the hand may well end up by becoming a pig in a poke. **[Interruption]** Absolutely. It is late. The electricity and water utilities would be extremely vulnerable to takeover and these are utilities particularly vital to the Island. Now

that Jersey Gas has been sold to an Australian company, Jersey has very little means of affecting the gas prices, which are high, for the less well off in the community. Whilst the policy implications of a possible sell off are a matter for the scrutiny panels, the PAC as part of its programme will be looking at the relationship between the utilities and the States, particularly in the areas of management and control. As most of the Members know, I have a deep interest in water. It is a sad reflection that Jersey Water has never conducted its own research into water resources. In fact, until the establishment of the Deep Ground Water Review Body by Senator Ozouf, the company has relied on the research of others and has never looked outside the box, and I would also remind Members that much of the water in the UK is owned by foreign companies and as a result of their management, or should I say mismanagement, south-eastern England has been under a hosepipe ban since the spring. Much as I admire Lady Thatcher, I cannot but feel that the privatisation of the water companies was a gross miscalculation. Instead of a national water grid they have discrete suppliers, thus preventing areas of surplus water supplying drier areas. In other words, privatisation of the separate water boards has resulted in a second-rate supply system and a concentration on returns to shareholders rather than consideration of the consumer. Members may have seen the recent programme on television on the water industry. Bolivian water is supplied by a French company. Kenyan water has been privatised and water in the USA is supplied by private companies. The less well off in these countries have found the price of water and the connection to water mains rising substantially and cannot cope with the costs. It could be said that we have surrendered management control of the JEC (Jersey Electric Company) since the bulk of our electricity comes from France, but I do not know that that is the case because we do have a local management who are interested in keeping the security of supply at a reasonable price. Yes, I think we need to do more regarding environmentally friendly supplies, perhaps by way of grants for solar power etc, but I can see no chance of this with foreign ownership. Look at telecoms. It was significantly easier for the Deputy of Grouville to bring pressure to bear with regard to pensioners' phone charges on a local business. Imagine how it would have been if management was in Australia. A small island such as ours cannot hope to have a truly competitive system with regard to utilities. In fact there are occasions when a responsible monopoly is more beneficial than large numbers of so-called competitive companies. If we retain management control within the Island we can at least be masters of our fate, rather than dependent on disinterested foreign companies intent on merely getting the best return without considering the social consequences. Privatisation of the utilities is superficially extremely attractive but I fear it will be very much a short-term gain. Our utilities earn money from Islanders and a significant part of this remains in the island for the benefit of Islanders. I would therefore urge Members to support the Deputy of St. Ouen's amendment.

### **1.17.3 Senator P.F.C. Ozouf:**

I have had a quick word with colleagues on the Council of Ministers and we do not think there is much difference between us on here. There are perhaps differences of opinion on some of the remarks that Deputy Ferguson makes. This is not a proposal, or the Council of Ministers' original proposal was not a charter for privatisation. That is not what it says, and I am sure that Deputy Ferguson and the Deputy of St. Ouen know that very well. It is quite interesting hearing the Deputy of St. Ouen, and I think that the view on the Council of Ministers is that we should certainly accept the amendment because we think that we can achieve the objective of what we wish to do. I just want to say a couple of things. The Deputy of St. Ouen said a few moments ago that somehow we were going to be starting to sell off all the utilities. This was the Deputy of St. Ouen that a couple of hours ago was admonishing me

and the Treasury Resources Minister for wanting to hold on to the DHLF. “We do not give up things very easily”, I say to the Deputy of St. Ouen. We want the maximum benefit for everybody in the Island. We are not very far away from the Deputy of St. Ouen because in his first part of the proposition he wants to secure long-term supply of energy and other resources. That is what we are doing in the energy review. We want to demonstrate the financial benefits for both the taxpayer and the consumer. That is why we are going to be putting in the hands of the JCRA (Jersey Competition Regulatory Authority) the regulation of the electricity prices. We have moved away from the world in which politicians or States-appointed politicians were acting as shareholder, regulator and manager. We have moved away from that. We have learned a lot about the way that we should manage our utilities, regulate them and make them hungry. I think that the Deputy of St. Ouen, perhaps in his summing up, would I hope admit that there are issues about the ownership of some of our utilities and nobody, I doubt, would believe that in the longer term Jersey Telecom can remain entirely independent as it does. It may well be in the best interests of consumers and of the Island community and of the shareholder to have some sort of strategic alliance, perhaps even a whole sale of telecoms. There are issues which we need to work on in terms of telecoms versus water and electricity. There are issues with electricity we need to deal with. There are issues with Jersey Water we need to deal with. We need to ensure that those boards and those organisations are run as efficiently and as effectively as possible, and perhaps we also need to take a Channel Island view in those issues. We are not suggesting that we should sell off harbours and airports as has been misinterpreted in the Deputy of St. Ouen’s amendment. We are not saying that. We should review the ownership of that, just as the Deputy of St. Ouen reviewed the ownership of Jersey Post, and he deemed, as a member of that committee, that it was in the best interests of consumers and of the States that it should turn into a limited company. That is what reviewing ownership means. It does not mean privatisation. So I think that with the comments and the view that we think we can achieve the objectives, we are a little bit sorry that the Deputy of St. Ouen wants to strike out some of our wording but we think we can still accommodate what we originally wanted to do, which is sensible review of the ownership and operation of our important utilities. Just one final point is that, do not let him think and do not let him convince Members that it is just the Council of Ministers who decides about the future ownership of our utilities. It is this Assembly that does, and any suggestion that there would be a sale of Jersey Telecom, a change in the corporate structure of Jersey Electricity, or a change in Jersey Water, that would be a matter for this Assembly. What we are being asked to do is to do the work, to present this Assembly with the appropriate options that are in the best interests of consumers, the taxpayer, and the Island as a whole. I think we should accept the amendment, Sir.

#### **1.17.4 Deputy A. Breckon:**

There are a couple of points I would like to make on that. Senator Ozouf has mentioned some of the bullet points in Deputy of St. Ouen’s amendment but it is also about the Island’s needs met both in the short and the long term and the recognition of strategic importance. On 6th June I asked a number of written questions of the Minister of Treasury and Resources and in the years from 2001 to a special dividend in 2006, the States of Jersey have received very nearly £10 million in dividends from the Jersey Electricity Company. So it was an investment but also, hopefully, there is an involvement and maybe even, dare I say, an influence, and I have got a meeting with the senior management in the JEC in the next couple of weeks because I do have some concerns and I would like to just spend a few moments of Members’ time to look at some extracts from this Annual Report. Since then there has been a 6-monthly report so it has changed slightly, but these are extracts from the report, Sir: “Your Board is

convinced that the company's longer term growth interests are best served by maintaining electricity's reputation for price competitiveness and stability, it believes, to a tariff restraint is especially appropriate." Tariff restraint. I would ask Members to remember that because the JEC will be reminded of that very shortly. "The company's strong cash flow, its recent trend of dividend increases of at least 10 per cent year on year can be maintained through the period of reduced profits and its balance sheet strengths can support known future infrastructure investment needs." So we are one of the beneficiaries of that, but 10 per cent plus I would contend is a good return and we need not necessarily be flogging this particular piece of family silver. "Following the completion of feasibility studies this year your Board's strategy for supply security is to reduce the operational impact of the loss of any one submarine interconnection to the European electricity grid. We plan to install a third interconnector circuit which will provide our power importation operations with the resilience to withstand the loss of any single interconnection without having to resort to indigenous power generation plant in Jersey to maintain electricity supply." The proposal is that that would be commissioned in 2012 and 2013 and the cost would be £37 million. Now somebody has to pay for that so I would suggest that we hang on in there and we do not consider selling this particular asset just yet because, again, we are talking about a strategic asset. The company also talk about participating in something that we may or may not be doing: "We have offered to participate in the new energy from waste project to be undertaken by the States of Jersey in the next few years. One of the 2 sites being considered for the new plant is adjacent to the La Colette power station and we are exploring opportunities to co-invest in the £80 million facility." I do not think it would be. I think it was 62 was the sum that was mentioned when I raised this before. They also mention, interestingly, in the report about "the absence of any immediate political will to liberalise the electricity market." Again I think that is why we should hang on in there because if we can have any influence I think we should do. It is not just for our own interests, it is for the public and some people are in vulnerable situations. Having said that, the company are socially minded and if people have a problem with bills, they will restructure and do things. But I think that is the sort of issue that the Deputy of St. Ouen is considering. I have not touched the other utilities. I have just looked at that one because of time, but having said that, I would have a concern if somebody said that we need to be selling these. I think that is a short term view and perhaps it should be given more consideration, which is exactly what the Deputy of St. Ouen has mainly said. So I would hope Members would appreciate that. We can have the debate another day but I think for now we have to live with, as Senator Walker would say, "We are where we are."

#### **1.17.5 Deputy G.P. Southern:**

Just to comment on the assurance we have just got from the Minister for Economic Development that there is absolutely no intention to privatise anything. I only wish I could believe him. It seems to me, my reading of what has been put forward over the past few weeks, and what was in the Strategic Plan originally, my reading of that was a clear indication that privatisation was not only possible, but increasingly likely at some stage. I just want to make a comment on that in terms of what has happened. In Europe, and on the mainland in particular, where we have seen increasing foreign ownership of utilities, the lesson must surely be learned that there are dangers involved in such moves, and we are talking here about, and the words of the Deputy of St. Ouen are just protection and efficient provision. Remember we are a small island, a very tiny little dot on the map in actual fact. If we were to go near, towards privatisation, then we could be taken over and we would be insignificant, and we would not make a difference no matter how we cried in terms of prices charged to us, in terms of delivery of service. We are just a minor tiny little dot for many companies. If we

look at the situation this morning of Southeast Water, they were talking about consumers paying 25 per cent extra for their water this year on last year, and yet having to accept restrictions in water use. We heard about dividends going up by 10 per cent whilst prices went up by 25 per cent. We heard about the parent company, which is German, taking £1 billion out of the company, and then finally to cap it all, while they are putting up with water shortages, the news that it was likely that they were going to sell on the company. A company, an asset which was bought for £3.2 billion a short while ago, was due to come on to the market and they were going to get £7.2 billion for it. That is what the likely value was. If we ever get near to privatisation on this Island, bear that in mind. When the Minister in charge of that privatisation and promoting that privatisation comes to you and says: "Look", I do not know what the equivalent would be - there is £300 million here we can realise" bear in mind those figures. £3.2 billion becomes £7.2 within the space of a very short time. The £300 million offered as a carrot is probably worth £700 million later on.

**Senator P.F.C. Ozouf:**

Sorry, I did not want to interrupt the Deputy, but he did say that I did not say that there would not be privatisation. I said that we would review the options and that the final decisions would be taken by this Assembly. I did not say we were ruling it out.

**1.17.6 Senator F.H. Walker:**

Sir, could I just, I think, clarify the position of the Council of Ministers. We are not, in any way, hell-bent on privatisation, as has been suggested. We are hell bent on working in the best interests of both the consumers and the taxpayers. That is all we are saying, and if any decision, any decision, is recommended at any point which changes, in any way, the current ownership of any of the utilities, and we are perhaps thinking here the most likely, of course, would be Telecom where we have to have a world class service at very competitive rates, we have to have, or else the economy of the Island, never mind anything else, falls away, if there is any such proposal it can go nowhere without the full approval of the States. So I do not know what Members are worried about at this point. There is no such proposal on the table and, if any such proposal is ever put on the table, it will come to the States and it will only happen if a majority of Members approve it.

**1.17.7 The Deputy Of St. Ouen:**

Thank you very much. At last. All joking apart, I thank members very much for the comments made. I mean obviously, just picking up on a couple of points, we are an island. We have got concerns. Our resources and utilities are strategically important and I am pleased that the Council of Ministers has reiterated the fact that their aim is not to sell off. Although we did hear the warning about Telecom. Anyway, I also appreciate that Senator Walker did say that if that was to be considered, obviously if would be the States to do so. Just one point I would like to pick up on, which Senator Ozouf has made about Jersey Post. Sorry, Jersey Post has not changed ownership. All that has happened is that we have incorporated it. The States still totally own Jersey Post. I leave members in no doubt. Anyway, thank you very much, and I propose the amendment.

**1.18 The Greffier of the States (in the Chair):**

I put the amendment. Those ones in favour of adopting it kindly show. And against. The amendment is adopted. Well we come to the 16th amendment in the name of the Deputy of

St. Ouen. I am sure Members are happy to take them as read. They are quite lengthy. I ask the Deputy to propose the amendments.

**1.18.1 The Deputy of St. Ouen:**

In proposing this amendment I would just like to highlight a number of things. Obviously one, we are introducing a new outcome which was already defined in last year's Strategic Plan and it highlights that we should develop a longer term relationship between the States and the parishes. I do know that there are areas and links in the Strategic Plan to the parishes. However, I firmly believe that it deserves a new entry. Other areas that I have suggested regarding action are enhance; the role of the parish as a community resource and support the Island police system, encourage supporters to stay in the community and parish activities and develop a strategy that will enhance the relationship between the States and the parishes. Obviously, as we have seen already, a number of parishes are looking at recycling issues and waste disposal and therefore I think it is perfectly right that this should be included. I do believe that the Council of Ministers, as they have said already, accept this proposal so.

**The Greffier of the States (in the Chair):**

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

**1.18.2 Senator F.H. Walker:**

Just to confirm the Council of Ministers does gratefully accept the amendment. It endorses again what we wanted to do but I accept it improves the Strategic Plan. I am grateful for the Deputy and we warmly accept the amendment.

**1.18.3 Deputy G.C.L. Baudains:**

I would just like to seek clarification during the summing up. I am just slightly concerned about what this may mean because one of my concerns is the transfer of services from the centre to the parishes simply because those matters funded by the parishes are funded by rates which bear no comparison to people's ability to pay, whereas things funded from the centre usually are.

**1.18.4 The Deputy of St. Ouen:**

I think I can allay Deputy Baudains' fears. There are various indicators included in this amendment which clearly say provision of cost effective services provided by or for the parishes, more joint working, clearly defined roles, and a co-ordinated approach to waste disposal. I think that clearly says that parishes do have a role to play and it is important that we have a Comité des Connétables to develop that role with the States. I do thank the Chief Minister for supporting this amendment and I put forward the proposition.

**1.19 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. Now, in terms of amendments, we come finally to the 14th amendment in the name of the Deputy of St. Ouen. Once again, I assume Members are happy to take it as read and I ask the Deputy to propose the amendment.

### **1.19.1 The Deputy of St. Ouen:**

Last but not least. This really just picks up the 2 areas that were left out when I deleted the reviewing of the airport and harbours in 6.2, I believe it is, and it basically recognises the strategic importance of the harbours and airports. It is quite clear. There are various indicators that one is looking for. Again, some of these indicators, as I am sure Senator Walker will tell me, are reflected elsewhere in the plan. However, it is important to underline these indicators and we are looking for results.

### **The Greffier of the States (in the Chair):**

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

### **1.19.2 Senator M.E. Vibert:**

Very briefly, Sir, to say something totally different. This is the last amendment and we are going to have a very amended Plan and for next Tuesday is it possible to have a complete new Strategic Plan with all the amendments so we are all speaking from the same Plan when we discuss it? Thank you.

### **The Greffier of the States (in the Chair):**

That can be arranged. Senator Ozouf.

### **1.19.3 Senator P.F.C. Ozouf:**

Very briefly. We thank the Deputy of St. Ouen for his very helpful amendment. **[Laughter]**

### **The Greffier of the States (in the Chair):**

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

### **The Deputy of St. Ouen:**

Please, Sir. Could I, just before you - I mean, I did not have a chance to say, I would like to thank States Members for their patience. I know I did bring a number of amendments to the Plan but I also thank them for their support. **[Laughter]**

## **ADJOURNMENT**

### **2.1 Senator S. Syvret:**

Sir, I take it the mood of the Assembly is in fact to adjourn now and have the overarching debate on the Plan as amended next Tuesday. That appears to be the mood, Sir, in which case I will propose the adjournment.

### **2.2 The Greffier of the States (in the Chair):**

Very well. I think that is the general mood of the Assembly. I would remind Members as stated by the Chairman of Privileges and Procedures yesterday, there are of course other items on the agenda for this meeting, particularly the proposition on Solid Waste Location of Facilities, and Members may need to keep at least Wednesday in their diary free next week as well, but the Assembly now stands adjourned until 9.30 a.m. next Tuesday 27th June 2006.