

# Economic Affairs Scrutiny Panel

## Meeting No. 47

11<sup>th</sup> July 2007

1<sup>st</sup> Floor Meeting Room, States Greffe

Present Deputy G. P. Southern, Chairman  
 Connétable M. K. Jackson  
 Deputy A. Breckon  
 Deputy K. C. Lewis

Apologies

Absent Deputy J. A. Martin

In attendance Nathan Fox, Scrutiny Officer  
 Elizabeth Kingston-Walsh, Scrutiny Officer

| Ref Back | Agenda matter   | Action            |
|----------|---|-------------------|
| 1.       | <p><b>Minutes of previous meetings</b></p> <p>The Minutes of the meetings held on 2nd July 2007 and 6th July 2007 were approved and signed.</p>   |                   |
| 2.       | <p><b>Action Updates</b></p> <p>a) The Panel noted that letters had been drafted to Finance Industry representatives with regards to potential scrutiny topics.</p> <p>The Panel noted comments in the Jersey Evening Post which suggested that a potential vote of no confidence in the Chairman might be forthcoming. The Panel assured the Chairman of its full support.</p> <p>b) The Panel noted a letter from the Chief Minister to Deputy Breckon dated 6th July 2007 regarding the review of Jersey Dairy. It further noted the Chief Minister's intention to provide a statement to the States on the subject and agreed to write to the Chief Minister to confirm this intention.</p> <p>Officers were directed to take appropriate action.</p> <p>The Panel appointed Deputy Breckon as lead member for matters relating to the Dairy Industry.</p> <p>c) The Panel noted the record of Chairman's Committee meeting 29th June 2007.</p> <p>d) The Panel considered the schedule of States debates for 2007 in <b>private session</b>.</p> <p>e) The Panel noted an officer report detailing the Executive</p> | <p><b>NJF</b></p> |

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|           | <p>actions on the recommendations of previous reviews. It was agreed to defer consideration to the next meeting.</p> <p>f) The Panel considered 'B' agenda items from the Council of Ministers in <b>private session</b>.</p>  |  |
| <b>3.</b> | <p><b>Forthcoming Propositions</b></p> <p>The Panel considered the following Financial Services Regulations propositions:-</p> <p>P.71/2007 – 'Draft Community Provisions (Wire Transfers) (Jersey) Regulations 200-',</p> <p>These Regulations extended the scope of the Money-Laundering regime to money service businesses.</p> <p>P.79/2007 – 'Draft Financial Services (Amendment of Law) (Jersey) Regulations 200-',</p> <p>These Regulations established requirements for information to accompany wire transfers.</p> <p>The Panel noted that it did not intend to exercise powers under Standing Order 72 to delay the second debate of either of these propositions.</p>   |  |
| <b>4.</b> | <p><b>Questions to Ministers</b></p> <p>The Panel considered questions without notice for the Economic Development Minister and the Chief Minister.</p>  |  |
| <b>5.</b> | <p><b>Draft Price and Charge Indicators (Jersey) Law</b></p> <p>The Panel noted the officer briefing paper.</p> <p>It further noted that Deputy Breckon was conflicted due to his work with the Jersey Consumer Council and would not participate in this review, although he would give evidence if called upon.</p> <p>The Panel agreed that the call for evidence would be published on Monday 16th July 2007. It further agreed to write to all potential stakeholder groups.</p> <p>The Panel considered the scoping document and proposed minor amendments.</p> <p>The Panel considered and agreed the terms of reference with the inclusion of 'comparisons with our jurisdictions'.</p> <p>The Panel agreed to hold the first round of public hearings from 24th to 26th July 2007, to include at least one evening session.</p> <p>Deputy Breckon was invited to give evidence to the Panel as Chairman of the Jersey Consumer Council at the public hearing on 25th July 2007.</p> |  |

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|                  | <p>The role of lead member for the review was offered to Panel members, however the Panel considered it appropriate for Deputy Southern to Chair the review.</p> <p>The Chairman suggested a further 24 hours for consideration of the matter.</p> <p>The Panel, having considered the timescale for the introduction of GST, decided that the review should begin immediately. Officers were directed to take the appropriate action in light of the aforementioned decisions.</p>   | <p><b>NJF</b></p> |
| <p><b>6.</b></p> | <p><b>Telecoms</b></p> <p>The Panel recalled that it had met with its advisor for the Telecoms Privatisation Review, Dr. D. Parker, on 13th July 2007 regarding the sale of Jersey Telecoms. It noted that the draft report on the sale of Jersey Telecom properly addressed the questions raised by the Panel, with the exception of employment protection. It further noted that-</p> <ul style="list-style-type: none"> <li>• The Jersey Competition Regulatory Authority required additional powers before the States could proceed with the sale. Currently no action could be taken in respect of a breach of a telecoms operator's licence until the offending company had been instructed to desist, and furthermore no retrospective action could be taken regarding the action of the offender prior to the issuing of such an instruction. Additionally, there were no intermediate sanctions in place, and the withdrawal of an operator's licence was the only effective sanction available at this point.</li> <li>• The report did not address conditions required to protect the workforce and that and conditions within a sales contract aimed at protecting the workforce could not be imposed on any subsequent sale.</li> <li>• A private equity company appeared to be the most likely purchaser at this stage.</li> <li>• It would be preferable for the States to maintain control over the sale should it proceed, and that the matter should not be left to the consultants.</li> <li>• Further discussion on this matter continued in <b>private session</b>.</li> </ul> |                   |
| <p><b>7.</b></p> | <p><b>Future Meetings</b></p> <p>The Panel considered possible dates for further briefings from the Economic Development Department on the Enterprise and Business Development Strategy and the Finance Industry. It agreed that 27th and 30th July 2007 should be suggested.</p> <p>Officers were directed to take the appropriate action.</p>   | <p><b>NJF</b></p> |

**Signed**

**Date**

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**Chairman Deputy G. P. Southern**  
**Economic Affairs Panel**

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