

2.1 Deputy R.G. Le Hérissier of St. Saviour of the Minister for Transport and Technical Services regarding the revenue risk associated with the leisure and school bus services contract with Connex:

Would the Minister clarify whether the leisure and school services contract, recently agreed with Connex, places the revenue risk upon the States or upon the contractor?

Deputy G.W.J. de Faye of St. Helier (The Minister for Transport and Technical Services):

The revenue risk for the schools' contract has always been with the States and will continue under the new contracts with Connex. The summer leisure service will place the full revenue risk on to the States, whereas under the previous arrangement with Easilink, Easilink held the overall risk, but agreed to pay a percentage of revenue received to the States.

2.1.1 Deputy R.G. Le Hérissier:

Would the Minister not agree that given the very unfortunate experience of what one might term the first contract that this was a very odd move to make and furthermore, the amount received from the previous operator was, in terms of the overall revenue, a fairly small sum? Would he not agree that based on what appeared to be heavily over-optimistic figures, a fundamental mistake has been made?

Deputy G.W.J. de Faye:

No, I would not agree with that at all, Sir.

2.1.2 Deputy R.G. Le Hérissier:

Just for the point of clarification, can the Minister confirm that, for example, in the light that an improved Connex schedule service starts stalling and the numbers of people travelling on it are much below, as I said, an over-optimistic estimate, it is the public purse that will totally - totally -take up that risk?

Deputy G.W.J. de Faye:

I am assuming Deputy Le Hérissier is referring to the summer leisure service, as opposed to the school services contract. It is fair to say that if there was a dramatic collapse in tourism figures next year, for example, then the States would bear the risk and the loss of revenue. However, I can assure Members that we have, as a department, gone into the possibilities in some considerable detail and indeed have factored in a worse case scenario of a 50 per cent drop-off in revenue figures, and I am satisfied - despite that analysis - that the contracts have been properly allocated.

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

Would the Minister inform Members whether the rival bid contained no liability for the States of Jersey and took on total liability for running the leisure service; and in the case of a 50 per cent drop-off, how much money will this body - this department - be liable for?

Deputy G.W.J. de Faye:

I am not prepared to go into precise figures, because it is a matter of estimation, speculation, and this entire business is potentially subject to litigation. However, I can confirm - which I said in answer to the original question - that in the past, under the previous arrangement with Easilink, the contractor took on the overall risk, but agreed to pay a percentage of the revenue received to the States.

2.1.4 Deputy G.P. Southern:

I cannot believe that the Minister can in one breath say he has done a worst case scenario, which must result in some figures - some worst case figures - and then refuse to release them. Will the Minister release those figures?

Deputy G.W.J. de Faye:

Deputy Southern appears to be suffering from hearing difficulty, Sir. I just said to the House that at this stage, I am not prepared to release those figures.

2.1.5 Deputy R.G. Le Hérisier:

Would the Minister accept that a major mistake was made in creating such an open-ended contract, as with the first, and that it almost defies belief that he has sought a contract from a private operator - in this new era of privatisation and private sector involvement - and yet the public sector picks up the whole bill if it goes wrong?

Deputy G.W.J. de Faye:

I am no expert in belief or faith systems, so I am unable address the Deputy as I would wish to. However, I think it is worth reminding the House that it would be a mistake to analyse our public transport services on the basis of either risk or a profit and loss scenario. I think Members will have heard on several occasions that - in my personal opinion - the level of public service in terms of the particular transport that we provide to this Island is at a bare minimum, and if we wish to continue providing public service transport, and indeed, to improve it, the unavoidable and harsh reality is that the States must pick up the financial burden of doing so. That is a fact, if we wish to continue with public service transport of a proper order in this Island and there is no getting away from it.