

Economic Affairs Scrutiny Panel

Meeting No. 7

8th March 2006

Blampied Room, States Building

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

Apologies Deputy A. Breckon

Absent

In attendance Carol Le Quesne, Scrutiny Officer
Nathan Fox, Scrutiny Officer

Ref Back	Agenda matter	Action
1.	Minutes of the Meetings of 8th February, 22nd February, and 27th February 2006. These minutes were approved and signed.	
2.	Notes of a meeting with the JCRA dated 28th February 2006. The Committee received these notes, and commented that the suggestion contained within, that Jersey Post was dependant on fulfilment business to support its incorporation made the review of the industry as a whole even more important.	
3.	Matters Arising. The Chairman informed the Committee that he and Deputy Martin had met Prof. D. McQueen, the advisor to the Economic Development Department on the dairy industry, on 13th March 2006. The Acting Director of Jersey Agriculture and the Chief Executive Officer had also been in attendance. This meeting had been productive and a wide range of issues had been discussed. The key factor in the viability of the industry had been identified as the relocation of Jersey Dairy to a purpose built site, which would significantly increase efficiency, benefiting both farmers and consumers.	
4.	Mr. K. Keen, Managing Director, Jersey Milk Marketing Board, and Mr R. le Boutillier, The Chairman welcomed Mr. Keen and Mr. le Boutillier and explained that the Panel was considering a review into the dairy industry, although the terms and scope of that review were yet to	

	<p>be decided.</p> <p>Mr. Keen explained that the Jersey Dairy was the trading arm of the Jersey Milk Marketing Board, and that it was therefore effectively run by the Island's dairy farmers, although it was a public limited company.</p> <p>Despite this, he noted that the price of milk to the consumer had fallen over the previous three years, and that this had cost the island's farmers an estimated £1,000,000. He recognised that the milk price in the island was still too high, and this was ascribed to a lack of economies of scale as well as the problems with the Jersey Dairy's existing site. The Jersey Dairy had attempted to innovate in a number of areas, including developing overseas markets and new products.</p> <p>The Panel was informed that the Jersey Dairy had cut its staff to a minimum to save costs, that local farmers had agreed to significant concessions, and that there was no more scope for reduction in the price to consumers until the matter of the site could be resolved. The importation of semen, the size of the dairy herd, and the current situation in the United Kingdom were also discussed.</p> <p>The Panel thanked Mr. Keen and Mr. le Boutillier for their attendance, and expressed the hope that they could be of assistance to the Panel as events progressed once the terms of the review had been established.</p>	
<p>5.</p>	<p>Correspondence received</p> <p>The Panel received several items of correspondence from external sources in respect of request for meetings and ongoing reviews.</p> <p>The Committee noted an e-mail from W. Gallichan, Director of Regulatory Services, in respect of a request made by officers that the Panel be made aware of companies currently operating in the fulfilment industry, and Regulation of Undertakings licences granted to them over the previous two years.</p> <p>The Panel undertook, as requested in the e-mail, to treat all such information with the strictest confidentiality, as it concerned matters of commercial confidentiality.</p> <p><u>Documents</u></p> <p>E-mail from the Royal Institution of Chartered Surveyors requesting meeting. E-mail from the Director of Economic Development E-mail from the Acting Director, Jersey Agriculture,</p>	
<p>6.</p>	<p>Access To Public Information - Exemptions</p> <p>The Panel received a list of permitted exemptions from the code of practice on access to public information held by the States,</p>	

	<p>Committees and Departments of the States, as amended in June 2004.</p> <p>The Panel was informed that if it wished to hold a private meeting for any reason, and not to publicly release the minutes of such a meeting, then it was standard practice to assign an exception to the papers in order to ensure that accountability was maintained, and that only such matters as would legitimately fit the criteria could be withheld from publication.</p> <p>The Committee noted the aforementioned list.</p>	
7.	<p>Topic Proposal Form received</p> <p>The Panel received a scrutiny topic proposal form from Mr. B. Curtis.</p> <p>It noted that his concerns were primarily in the area of non-local companies and their use of the island's infrastructure, given that they were to pay no tax under the new 0/10 tax proposals. He suggested a number of initiatives that might be undertaken to resolve this situation.</p> <p>The Panel considered that many of Mr. Curtis's concerns mirrored the matters which the fulfilment review was intended to investigate, and that the remaining issues in his submission were primarily related to taxation policy.</p> <p>Accordingly, the Panel agreed to pass the submission to the Corporate Services Scrutiny Panel for its consideration.</p>	CLQ and NJF
8.	<p>Call for evidence</p> <p>The Panel discussed the manner in which it was to call for evidence from the public in respect of its fulfilment review.</p> <p>A draft advert to be placed in the Jersey Evening Post was agreed with minor amendment, although the Panel was curious about the cost. Officers were directed to establish the equivalent cost of such an advert in Guernsey and in small jurisdiction local papers in the United Kingdom.</p> <p>Pending the outcome of the officer's investigations, the Chairman was delegated authority to approve the submission of the amended advert.</p>	NJF NJF
9.	<p>Powers of Scrutiny Panels</p> <p>The Panel received a report entitled 'Future Powers of Scrutiny Panels' from the Scrutiny Officers, in connection with the Draft States of Jersey (Powers, Privileges and Immunities) (Scrutiny Panels, PAC and PPC) (Jersey) Regulations 200- (P.15/2006).</p> <p>The Panel noted that the conclusion of the report was that the current drafting of Standing Orders 135 and 136, combined with the</p>	

	<p>aforementioned legislation, would create a situation in which subpoenas issued legitimately form Scrutiny Panels in respect of reviews that had been agreed by the Chairman's Committee could be challenged, both before the Privileges and Procedures Committee and later in law, if they were not compliant with provisions included in Standing Order 135.</p> <p>The Panel agreed that the Section as drafted was overly restrictive, and that an amendment should be made.</p> <p>This report was to be passed to the Chairman's Committee</p>	NJF
10.	<p>Access To Legal Advice</p> <p>The Panel was informed that the discussions in respect of Scrutiny Panel's access to legal advice were ongoing and that a resolution had yet to be achieved.</p>	
11.	<p>Correspondence to Guernsey</p> <p>The Panel, in connection with the current review into the impact of the fulfilment industry on the local economy, directed officers to draft a letters to the Minister of Commerce and Employment in Guernsey, and to the director of Guernsey Post for the approval of the Chairman.</p>	NJF
12.	<p>Date of next meeting</p> <p>The Panel, in a change to the previously scheduled arrangements, decided that it would be appropriate to hold an additional meeting on the 16th March 2006 to discuss the planning of a forthcoming hearing to be held on 5th April 2006, at a location to be arranged. The next previously notified meeting remained scheduled for 22nd March 2006.</p> <p>Officers were directed to make the necessary arrangements.</p>	CLQ

Signed

Date

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Chairman Deputy G. P. Southern
Economic Affairs Panel

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