



Economic and International Affairs Scrutiny Panel

Quarterly Review

Witness: The Minister for Economic Development, Tourism, Sport and Culture

Tuesday, 6th April 2022

Panel:

Deputy D. Johnson of St. Mary (Chair)

Deputy S.G. Luce of St. Martin (Vice-Chair)

Senator S.W. Pallett:

Witnesses:

Senator L.J. Farnham, The Minister for Economic Development, Tourism, Sport and Culture

Deputy K.F. Morel of St. Lawrence, Assistant Minister for Economic Development, Tourism, Sport and Culture

Mr. T. Holvey, Chief Economic Adviser

Mr. D. Housego, Group Director, Economy

Ms. R. Millar, Head of Local Economy

Mr. I. Clarkson, Sector Lead, Retail and Visitor Economy

[10:39]

Deputy D. Johnson of St. Mary (Chair):

Apologies for the delay, everyone, due to I.T. (information technology) problems. Welcome, Minister and others, to this hearing of the Economic and International Affairs Scrutiny Panel for this public hearing. As usual I will introduce the panel and then perhaps, Minister, you can introduce yourself and colleagues. I am Deputy David Johnson, chair of the panel.

Deputy S.G. Luce of St. Martin (Vice-Chair):

Deputy Steve Luce, Deputy of St. Martin, vice-chair.

Senator S.W. Pallett:

Senator Steve Pallett, member.

The Minister for Economic Development, Tourism, Sport and Culture:

Senator Lyndon Farnham, The Minister for Economic Development, Tourism, Sport and Culture. I will ask the other officers and members to introduce themselves but I would like to introduce you to our new chief economic adviser, so over to you.

Chief Economic Adviser.

Tom Holvey, chief economic adviser. This is my third week.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Deputy Kirsten Morel, Assistant Minister for Economic Development, Tourism, Sport and Culture.

Group Director, Economy:

Dan Housego, group director, economy.

Head of Local Economy:

Rebecca Miller, head of local economy.

Sector Lead, Retail and Visitor Economy:

Ian Clarkson, sector lead, retail and visitor economy.

The Deputy of St. Mary:

Can I begin please with the topic of medicinal cannabis which has been going on for a while? We did receive a response to our report on 7th March, some 2 weeks after it was due, but we were later informed this was sent incorrectly and a revised version would follow. First of all, can you explain how that came about please?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, certainly. Firstly, apologies for the delay and Dan will explain the reasons behind that. I mean it is a very complex issue and it was an extensive report that needed a lot of work but, Dan, could you just explain the reasons for the delay, which were personal?

Group Director, Economy:

In my absence - I have been signed off with COVID for a month, effectively from the beginning of March - I think officers took the initiative to try and at least send a draft document to the panel. Having said that, I had received some information from colleagues in the Law Officers' Department in particular that I think volunteered a further review. Subsequently we needed to go back on that draft and look at the first draft that was sent to the panel. I wanted to make some amendments but of course I was delayed by 4 weeks in making those amendments. I have to say though to the panel, that was my first job on return to the business on Monday, and I have made those amendments and those amendments are now with the M.S.U. (Ministerial Support Unit) for circulation to the other relevant Ministers who need to opine on the officer recommendations effectively. I have produced a final draft as the senior responsible officer. That is going to be circulated to Ministers, it will then be finalised, sent to C.O.M. (Council of Ministers) for information, and returned to you as the final document. I would expect that would be within the next week or so.

The Minister for Economic Development, Tourism, Sport and Culture:

As Dan said, that he completed that work yesterday. He returned Monday, completed that work yesterday, and we are dealing with that as a Ministerial priority.

The Deputy of St. Mary:

Thank you. Again, sorry to hear about your experience with COVID and welcome back, as it were.

Group Director, Economy:

Thank you very much, Chairman. I mean I do accept the mea culpa rests with me, it is not a Ministerial issue, it is an officer issue.

The Deputy of St. Mary:

Now we know it is coming. We had originally planned to undertake additional work based on your comments but given the timescale it may not be possible. Are you able to provide an alternative way of us continuing down should we consider it necessary?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, absolutely. How would you like to do that, Dan?

Group Director, Economy:

I think it is worth saying I thought the report was really interesting and thought-provoking. We wanted to treat it with the respect it deserved. I mean you will be aware from your own work that it is a highly complicated and technical area. What was really reassuring was there did not seem to be any criticism of our intent and indeed the intent with the Assembly having looked and talked to Members and get the sense that there is this consensus around the work but it is really how we do that. So

the panel's report was really helpful in that respect and we adopted, or I have recommended that we adopt some of the fundamental recommendations in the report, namely specific regulations, the extension of the Jersey Cannabis Agency under a proper and thorough risk assessment, and I think these are really fundamental pieces of work. Going forward we now, having effectively landed the framework by which we can issue licences, making amendments to the proceeds of crime legislation to effectively decriminalise investment and allow end-to-end bank accounts we establish for those businesses that want to do things and having a view on what R. and D. (research and development) looks like, we are now into a place where we need to more clearly define our policies and strategies on the basis of risk assessment and so on and so forth. What I would suggest is that as we move into that next phase we do that in parallel with the panel. We will be commissioning some work very shortly and we will see from the response if Ministers concur with my recommendations but a lot of this work is going to be happening in Q2 and Q3 of this year.

[10:45]

I am very happy to formally or informally have a conversation with the panel about how the engagement would work going forward.

The Deputy of St. Mary:

I did have a question here about your overall view of the panel's report but you made a few comments. Perhaps we should leave it there until we hear your responses. Thanks for the offer of taking it forward because we would like to not draw a line under it but get to a consensus as to where we are going.

Group Director, Economy:

Thank you, Chairman. I have always viewed the Scrutiny Panel as a key stakeholder. It helps us get things over the line and build consensus, so that works really well from an officer perspective as well.

The Deputy of St. Mary:

The final question in this area: we note from previous meetings that there was to be a Jersey cannabis conference in March to be held on the Island. Did that happen? Is that going to happen?

Group Director, Economy:

So I think, from my perspective, there is a challenge which is that we could benefit from a first move of advances in some of these areas, particularly inward investment where the fact that we made ourselves capable of receiving inward investment from funds that want to invest in cannabis through amendments of the proceeds of crime legislation, the fact that we can issue licences for cultivation,

that is in the sense of the 2 sides of the investment coin. But if other jurisdictions get ahead of us that money which is I think circling the globe trying to land somewhere with an appropriate legislative and policy framework, if we do not make it clear to those people in the rest of the world that we are looking at this carefully, that Jersey is effectively trying to get to that point - admittedly we have got some work to do to get there - then how do we make that clear? I think we had an ambition of doing a conference at the end of Q3. We did not think it was appropriate to do that because we had not finished our business with the Scrutiny Panel. But also the situation in the U.S.A. (United States of America), which is particularly pertinent, and their legislation has been stalled to some extent. It provides us a little bit more time to be able to be clear about what we are presenting to the outside world because of course we will not be able to present a finished package at that point but we will hopefully, working in collaboration with the panel, be able to present a strategic direction of travel and policy position. I think the idea is we want to be able to recommend to Ministers is that we curate a bespoke conference, pick people that we think we want to work with in the context of inward investment and cannabis more broadly, and present where we are going to those people. So at least it is clear what the intention of the Island is in this space. A date has not been set for that and I am now more relaxed that the American legislation has been, to some extent, delayed.

The Deputy of St. Mary:

You have no indication of a date when that might happen then?

Group Director, Economy:

No. I would hope that we could do that as soon as we have our strategic policy position a little bit clearer. As soon as the panel have had a chance to review the response to your report we can then start to think about how we align all that and make sure that we are presenting a kind of coherent position to the rest of the world. That is really important.

The Deputy of St. Mary:

My final question, my colleagues might have more, but a layman question in a way. This press comment that suggests that the cannabis industry is perhaps not going to be the goldmine, the source of income that it was going to be originally, does the Minister have any view as to his hopes for the success of it? I mean are expectations downgraded in any way?

The Minister for Economic Development, Tourism, Sport and Culture:

I do not think expectations have been ever upgraded. I have never said that this is going to be the saviour of Jersey's economy. But if done properly this industry can provide some useful income to the Treasury. We are not sure what that income is going to be and we have been clear about that all the time. But, yes, I am still confident that if the industry continues to evolve, and I am pleased to say that some of the facilities have now started to grow in preparation for starting to export and

sell product, then there is definitely scope for additional income, incremental income to that that the Treasury is receiving at the moment. What that level is we just do not know. There have been some estimations produced. Dan can give you the detail on that based on areas grown but it is a bit of a wait and see really. I think in answer to the question we are confident that additional income will be generated for the Treasury.

The Deputy of St. Martin:

Can I just go a bit further then, Minister, and ask if people are growing we assume then that they have been granted licences because the last time we spoke to ... I think when we had a review, we asked the question whether people had the specific final licence and the sign-off in order to start growing? That has happened, has it?

Group Director, Economy:

Perhaps, Minister, if I may. The good news is the framework that we are working with at the moment, albeit imperfect and needing to ... it is an iterative improvement process, is encouraging people in-Island and from off-Island to come and set up facilities in the Island and we have now moved from 2 licences to 5. One of which is a company from Portugal that has got a very ambitious 25-year business plan, so wants to make long-term investment in the Island. The Minister is absolutely right, at the moment these are business plan forecasts. There is one company that is in the process of trying to gain it's G.M.P. (good manufacturing practice) accreditation and of course to do that you need to grow a crop and be able to show things like being able to replicate the crop over a series of 3 cycles. That is then assessed by the M.H.R.A. (Medicines and Healthcare products Regulatory Agency) to ensure that the crop is grown to G.M.P. standard. But a lot of the licences are conditional. So as your report has highlighted, this issue of G.M.P. is fundamental to the perception of quality of the crop. But in order to get that G.M.P. assurance you need to grow a crop, effectively experiment.

The Deputy of St. Martin:

I completely accept that but were we not told previously that you would not be able to start growing a crop until all the boxes have been ticked, planning and all those concerns have been dismissed and there was a green light?

Group Director, Economy:

I think there is a nuance there, Deputy, which is that you can ... it is a bit chicken and egg. You cannot get into commercial production until you have proved you can do it to the right standard. So you have to grow some crop but this is not a commercial crop, this is not a crop for sale. This is effectively demonstrating that you can grow the crop to the right standard that is acceptable to all of us, which is the point you have made in your report.

Senator S.W. Pallett:

I am trying to think who told us. I think it was the chief pharmacist assured us that no growing would take place until all the boxes were ticked.

Group Director, Economy:

I suspect the work that is missing is no commercial growing, so these are not crops for sale.

The Deputy of St. Martin:

But is this not just another case - and I do not mean to be critical - but we found in our report that the Health Department was signing off on many things which they had no expertise in, environmental impact assessments, for example? But is this not another situation where a department with little expertise in what they are deciding is coming out with decisions on subjects where they do not have any expertise in-house where it is in another department?

Group Director, Economy:

I think in this case that is probably not the case. Two things really, I am nervous about speaking too much about the report that we have not responded to yet but also a bit nervous about responding to competency in another department. But I think that the licensed conditions and I think you have seen copies of the licences in confidence ...

The Deputy of St. Mary:

We did, yes.

Group Director, Economy:

... are quite clear. But the G.M.P. point is answered in our response and I think it is, in my view, impossible to demonstrate that you can meet the European G.M.P. standard without growing a crop to show that you have got the expertise to do so. I think there may be a word missing in the communication around, yes, we do need to grow a crop to demonstrate we can do European G.M.P. compliance and we have got the standard operating procedures to do so but there is no way you can commercialise that until you have got that accreditation in place.

The Deputy of St. Martin:

Yes, but my recollection is we were told very clearly no growing, full stop, would happen until all the boxes were ticked but that you are telling us now is not the case.

The Minister for Economic Development, Tourism, Sport and Culture:

I am not sure who said that.

Group Director, Economy:

No, I mean that is certainly not something that ...

The Minister for Economic Development, Tourism, Sport and Culture:

It not something that has come from our department and that is not the object; the object of the industry is to grow things not not to grow them. The sooner we can make a business of this the better. I disagree with the Deputy's views on the Health Department, I think the chief pharmacist is working with the U.K. (United Kingdom) and working with a lot of considerable experience in the area of this have done a very diligent case in issuing the licences, and that is something we are likely to disagree with you when we come back on some of the points you made in your report.

The Deputy of St. Martin:

Yes, I maybe need to make myself clear. I am referring probably specifically to environmental impact assessments and the Environment Department not being consulted at all on environmental impact assessments, that we expect, hopefully, will be addressed in your report as well.

Group Director, Economy:

Yes, certainly we do respond to that in the report. I think with all due respect to the Minister for Health and Social Services, I think his intentions were good and I think it was unfortunate that he used terminology that is, effectively, related to planning. But I think his intention was to make sure that there was belt and braces around the environmental impact of cannabis facilities, which is of course separate to a formal, with capital letters, environmental impact assessment in the context of planning legislation.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes. But I think it is also fair to say that I cannot see any facility becoming commercially operational until they have done the G.M.P. and that work started and also unless they comply with all their planning obligations.

The Deputy of St. Mary:

Okay. Yes, I think the Deputy's comments just focused on the interaction between Economic Development and Environment in particular but not to open up that now but what you say, that is going to be covered in the response and we will come back to you on it ...

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, but it is also worth mentioning that the Cannabis Ministerial Group now has met on a number of occasions.

Group Director, Economy:

Yes, the Minister is right, the political group has now met and has looked at draft terms of reference, which of course once they are confirmed we can push your way. Points are well made in the report about alignment across government, whether it is this or any other policy, the strategy is really essential. But also picking up the point around the Jersey Cannabis Agency and the representation on that being strengthened is also similarly important to make sure that the communication in what is, I think, quite a complex policy area is appropriate.

The Deputy of St. Mary:

My final words, I think you mentioned the Cannabis Ministerial Group, that was ...

Group Director, Economy:

The Cannabis Political Group, so it is not a formal political oversight group, it is a political group that has met maybe a month ago - I can send you the dates - to discuss the terms of reference, to discuss frequency of meetings, to discuss the purpose and objectives of that group, which are broadly in line with the comments made by the panel around needing to ensure that left hand and right hand of government in this particular context are talking to each other appropriately.

The Deputy of St. Mary:

Just to get it right, it is not a Ministerial group then.

Group Director, Economy:

It has got Ministers on it and it is chaired by the Deputy Chief Minister but it has got ...

The Deputy of St. Mary:

Okay.

The Minister for Economic Development, Tourism, Sport and Culture:

It is a Ministerial group with officer support and it picks up on some of the points made by Scrutiny previously and it ensures that all Ministers are engaged right across because it does crosscut a number of ministries.

Group Director, Economy:

Just for punctuation, it is the Deputy Chief Minister, the Minister for Health and Social Services, the Minister for External Relations and Financial Services, the Minister for Treasury and Resources, the Minister for the Environment and the Minister for Home Affairs.

The Deputy of St. Mary:

I think that that was formed during the course of our review, I think, which is useful to know.

Group Director, Economy:

The first meeting was last year.

The Deputy of St. Mary:

Okay, all right, well thank you for that. I think we will move off that section, will we?

The Deputy of St. Martin:

Yes, indeed.

Senator S.W. Pallett:

Can I just ask one very, very quick question? There is a trade group that you have set up as well, have they met to discuss what was within the report and fed back to you?

Group Director, Economy:

An officer trade group or Ministerial trade group.

Senator S.W. Pallett:

No, there was a group of the producers or the grow.

Group Director, Economy:

I see, I beg your pardon. Yes, we have got a Cannabis Services Advisory Board chaired by a chap called Nicholas Morland and he is the chief executive of a company called Tenacious Labs. They meet on a regular basis. This has been, I think, articulated previously, an independent body but they are useful in terms of feeding back to Government around ...

Senator S.W. Pallett:

Have they fed back to you on the report itself?

Group Director, Economy:

No.

Senator S.W. Pallett:

No, so they have not met to discuss that and feed back to you.

Group Director, Economy:

No.

Senator S.W. Pallett:

Okay, that is fine, that is all I wanted to know, thank you.

The Deputy of St. Mary:

Thank you on that note.

The Deputy of St. Martin:

Okay, we will move over to Ports and aircraft, if we may, Minister.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, of course.

[11:00]

The Deputy of St. Martin:

Just very briefly, can you describe your current relationship between Government and Ports at this time?

The Minister for Economic Development, Tourism, Sport and Culture:

I would like to think we have a strong working relationship with Ports of Jersey in the areas that the department have responsibility for. We work closely with them, most notably of late and of course the work to develop and sustain air routes.

Senator S.W. Pallett:

A nice photo, Minister ...

The Deputy of St. Martin:

The memorandum of understanding, if you like, is for the Minister for Treasury and Resources to decide on the shareholder.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes.

The Deputy of St. Martin:

But are you aware that she has signed that recently or is it going to be signed, has it been signed?

The Minister for Economic Development, Tourism, Sport and Culture:

I am not aware, no. As you say, the shareholder relationship is with the Treasury.

The Deputy of St. Martin:

Okay. Moving on to Aircraft Registry then. Can you tell us, Minister, how profitable the aircraft industry is and how much revenue has been generated since its inception?

The Minister for Economic Development, Tourism, Sport and Culture:

If I may I will hand over to the Assistant Minister for this, Deputy.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Yes. Currently, Deputy, it is not profitable.

The Deputy of St. Martin:

Do you see a future for it?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

I see the possibility of a future for it and, as I have explained previously to the Scrutiny Panel, I have set, effectively, a deadline. We have until March next year to decide whether or not this is the appropriate project to maintain. I am doing that in conjunction with the view that the Aircraft Registry may be a useful part of a general aviation sector in Jersey. We have taken on this during the past month. An officer whose job over the course of the year will be to look at the aviation sector and the Aircraft Registry and to help us decide whether there is a future for them.

The Deputy of St. Martin:

Will at any time during that year, if you see signs that this is not feasible to continue, would you pull the Aircraft Registry before the end of the 12 months or is this something we are committed to doing regardless of even if we pre-know the outcome of the work?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Personally, I would be willing to take that decision at any point during next year. The reality is I probably will not be in this position, so there may not be a need to make that decision.

The Deputy of St. Martin:

Okay, last question then: you are quite new to the job but the Aircraft Registry has been in existence for quite some time, are you surprised it has been allowed to continue as long as it has, given that it has probably cost Government 7 figures by now?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Surprise is not the right word, possibly because I have been tracing the history of it over the past few years. I think the Aircraft Registry is something which was begun with very good intentions. I think it is something that could still deliver for the Island. But it has not been guided in the way that perhaps would make it most effective. I would not say surprised but I think there are some lessons that can be learnt.

The Deputy of St. Martin:

In the past there was a general understanding that unless the G.S.T. (goods and services tax) issue was addressed that the Aircraft Registry would not take off, physically or literally. Do you still think that is the case?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

I am not convinced that G.S.T. is the big issue, I believe the Cape Town Convention is more of an issue than G.S.T. Yes, it is that simple, the Cape Town Convention, I think, is the piece that is really missing. G.S.T. would be helpful but it is not, in my view, essential.

The Deputy of St. Martin:

Do we know how long it is going to take law drafting to come up with the words for Cape Town?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

I would have to pass to an officer there, particularly the length of time it may take to deliver Cape Town.

Head of Local Economy:

Yes, happy to answer that, if that is okay. What we are doing at the moment is reviewing previous situations of law-drafting instructions on the Cape Town Convention and then we have a meeting scheduled to discuss those with law officers. In terms of the amount of time I do not have an estimate as yet but that is the next stage in our kind of planning preparations.

The Deputy of St. Martin:

Those discussions are taking place while we are doing the work between now and March.

Head of Local Economy:

Correct, they are happening in parallel, yes, exactly.

The Deputy of St. Mary:

Can I ask a supplementary on that, which is simply that I was going to raise a question about the Cape Town agreement? I do not know how much is involved but, as I understand, it is essential to

proceeding with the registry in the case of the success of it, is it something which you might consider doing before a final decision is taken as to the future registry?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

As I understand it, the Cape Town Convention ... it is interesting because the Cape Town Convention covers about 12 different areas but only one of which has been kind of ratified and that is the area around aircraft. I think the wider Cape Town Convention may have benefits for Jersey in different ways. But the aircraft element, I am not so sure; I would look to officers. If we chose not to go ahead with the Aircraft Registry would the Cape Town Convention with regard to aircraft still be useful? Honestly, I am not sure.

Head of Local Economy:

Happy to come in; so what we do plan to do over the next couple of months while the assessment work is ongoing is to use officer time to do some law-drafting instructions in relation to the Cape Town Convention and then to schedule a time for law officers to work on those in the Government's term so that the holes on law-drafting officers' time we can hopefully place, pending a kind of endorsement or a decision by a new Government as to the direction of travel.

The Deputy of St. Mary:

Okay. Can I assume that that information of where you are at will be volunteered to the successor of this panel?

Head of Local Economy:

Yes, absolutely.

The Deputy of St. Mary:

Yes, thank you.

Head of Local Economy:

I think we have also offered in the past, so we have a new officer in the post accepted into aviation who would be very happy to come and meet the panel on a private briefing or whatever would be appropriate.

The Deputy of St. Mary:

Yes, well thank you for that.

The Minister for Economic Development, Tourism, Sport and Culture:

Just on the Aircraft Registry, I am grateful for Deputy Morel, he has taken it over and looking at it but I think very constructively. It is something we inherited back in 2014. Senator Pallett was a member, Senator Pallett had responsibility for it for a number of years and Deputy Norton did. I think given the amount of money that was invested in it at the very start, and it was always a medium to long-term project, it was always felt that we deserve to give it every opportunity of success. I think it is fair to say that we are probably getting towards a time when we have to make a decision but there are still opportunities out there. There are a number of successful Aircraft Registries and they are still evolving. I think there are still opportunities and we recognise that. Before we close it and look to write off any money that has been invested in it, I think it is definitely worth exploring every avenue.

The Deputy of St. Mary:

Okay, thank you.

Senator S.W. Pallett:

Just following on from that, and I do not expect you to be able to provide it now, but if you could provide it to the panel and really just from a transparency point of view, I think the last official figure we had for the cost of the Aircraft Registry back in 2018 was £900,000-something or thereabouts. I wonder if you could provide the panel with what you believe to be the net underlying cost to Government where we are now.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Absolutely, pleased to.

The Minister for Economic Development, Tourism, Sport and Culture:

We can certainly do that. There have been receipts, there have been some G.S.T. receipts on private jets and things.

Senator S.W. Pallett:

No, we understand ...

The Minister for Economic Development, Tourism, Sport and Culture:

We will let you have them. That was the total expenditure, there has been some not inconsiderable income but ...

Senator S.W. Pallett:

Do not get me wrong, we understand that Ports are currently running it, so obviously they will be picking up that cost but it is still a cost at the end of day.

The Minister for Economic Development, Tourism, Sport and Culture:

Sure, we can provide that.

Senator S.W. Pallett:

Let us have that figure. Okay, I am going to move on to another area, again it is an area covered by the J.C.R.A. (Jersey Competition Regulatory Authority), it is the alcohol pricing and promotions report that was recently published. Did you have any involvement or engagement with the J.C.R.A. prior or during the review?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

I will take it.

Senator S.W. Pallett:

I would have thought probably, Deputy, yes.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Absolutely, yes, no problem. Personally, no, not with the J.C.R.A.

Senator S.W. Pallett:

Okay. Obviously we have all had a chance to have a look at the report, what is your view of the report and its outcomes?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

From my perspective - and I have made this clear to the J.C.R.A. as well and I think they accept it - it is an economically-focused report, it only looks at the economics of alcohol pricing and promotions, it does not look at social or health aspects, and that is my feedback to the J.C.R.A. on their report.

Senator S.W. Pallett:

Accepting that and I do, some of the recommendations, I think, were quite fair and I just want to pick out one and that was the restrictions on promotions for the on-licence trade were considered from an economic perspective should be removed or eased and it gives some supporting rationale for that. What is your view on that in terms of opening up the opportunity for promotions and, potentially, lower prices for consumers?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

My view is that it has to be balanced with the social element particularly. I think you have to remember that the decision to place restrictions on the on-licence trade in that respect was taken

by the Licensing Assembly by the Attorney General and I think it was back in 2008. When they did so the actual aim was to try and reduce antisocial behaviour. To my understanding that was the purpose of the restriction in the first place. If you are going to look at removing the restriction I think you have to look at it from a social perspective, as much as an economic perspective, given that the social perspective was the reason for bringing it in in the first place.

Senator S.W. Pallett:

I do not disagree with you. Obviously we have had some examples of what has happened in Scotland but I think, interestingly, and it is mentioned in the report, the Guernsey experience, that responsibly-applied price promotions support competition without leading to excessive drinking or antisocial behaviour. There is some suggestion or at least some supporting evidence that there is an opportunity to do something. It is a bit late in the political term to do that but if you were in the same seat next time round, is that something that you would be looking to explore?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

If I was in the same seat next time round what I would be doing is bringing in the amendments to the Licensing Law to enable decisions to be taken by the Assembly and then it would be the Assembly's choice as to whether or not to go down that track. At the moment the decision still rests with the Attorney General and the Licensing Assembly, so they are the people who are in a position to make that decision right now.

Senator S.W. Pallett:

A quick question to the Minister, if you were in the same seat again would alcohol and the way we deal with alcohol in Jersey be a priority next time round?

The Minister for Economic Development, Tourism, Sport and Culture:

First of all, I have to declare an interest as I have a connection to a licensed premises. I have always avoided this workstream because of that reason. I think if pressed I would share the same view as Deputy Morel; I think there has to be a balanced approach. We all know the harms of irresponsible use and sale of alcohol from a health perspective but I also want to support promotion and competition in every single market; that is one of the key weapons we have against inflation at the moment. I think there is a balance to be struck.

Senator S.W. Pallett:

I think it is particularly important in the current time when you look at price increases generally across the board and some of the issues that the public are having to deal with on a day-to-day basis, so the cost issue is important.

The Minister for Economic Development, Tourism, Sport and Culture:

I know and I think we are probably all old enough here of the same generation to remember the heady days of the 1980s and the happy hours and the activity as well.

Senator S.W. Pallett:

And 1970s.

The Minister for Economic Development, Tourism, Sport and Culture:

The 1970s as well; speak for yourself on that one. We remember some of the problems and challenges we had in those days because of this sort of thing. A balanced approach, I think, will be the best way forward.

Senator S.W. Pallett:

Right, I will finish there and I will hand over to the chair.

The Deputy of St. Mary:

Before we finish that, can I just pick up a comment that Deputy Morel made? The decisions to grant licences are obviously within the Licensing Assembly and when we scrutinised the proposed Licensing Law we did have before us the Jurats, who basically - I am sure I will not betray any confidences here - said they would like some guidance as to what "in the public interest" was because they had this vague instruction to grant licences only on that basis. Am I right in thinking, Deputy Morel, that you are anxious to bring this decision-making back to the States Assembly and it is appropriate that the States Assembly should determine a licensing policy, take it to gamble, things like health as well, and is that where you are coming from, effectively?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Personally, I am not myself particularly anxious but the States Assembly made it clear when they adopted Deputy Ash's proposition. The decision was made then to bring that policy-making back to the Assembly and so that is where that drive comes from, that decision was made by the Assembly and so it shall go ahead. Personally, not particularly anxious about it but the Assembly was ...

The Deputy of St. Mary:

Okay, well I will leave it at that because I think inside the previous review there were suggestions as to how a consensus could be obtained with outside people being involved in the consultation process and that is where I was really coming from. Anyway, I hear you and thank you for that.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Ian is here and he may like to give you an update as to how we are going to hand over that work to whoever is the next Minister in terms of the law drafting, et cetera.

Sector Lead, Retail and Visitor Economy:

Thank you, Chair. The position is that we have got a set of provisional law-drafting instructions at the moment which we can modify with reference to the J.C.R.A.'s report to put to the incoming Minister or Ministerial team.

[11:15]

We will give them several options but one of the most obvious options would be to consider whether or not they might wish to lodge a prospective amendment to the Licensing Law 1974 that would give the Assembly the opportunity to, effectively, take responsibility for what is currently the Attorney General's guidance on drinks promotions and adjust it to the extent the Assembly sees fit and then incorporate that within the existing Licensing Law, so that a future Licensing Assembly taking decisions on licensing matters would have a States-approved policy to refer to but would help them with the public-interest test in the relevant context.

The Deputy of St. Mary:

Thank you for that, that is helpful. Can I again repeat the question I raised earlier? Can I assume that you will inform the incoming Scrutiny Panel that they will be kept informed and acquainted with that on day one, as it were?

Sector Lead, Retail and Visitor Economy:

I am sure a Ministerial team would want to do that and we will certainly make sure that happens.

The Deputy of St. Mary:

Thank you.

Senator S.W. Pallett:

Hand over to you.

The Deputy of St. Mary:

I will have to do it myself. Right. Yes, the Gambling Commission, we understand there was a meeting between, again, the Assistant Minister, Deputy Morel, and the group director of economy and the chair and C.E.O. (chief executive officer) of the J.G.C. (Jersey Gambling Commission) and they had a public health policy in February to discuss the issue with problem gambling. We are to

read that the J.G.C. will forward a proposal to the Government in the near future. Could you please, Assistant Minister, it is your area again, provide an update on that as to where we are?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Yes. We had that meeting and I know the Gambling Commission had been working on the public health element, they had been engaging through that as well, the Public Health Department, for instance, and we are moving that forward. I do not know if there is anything extra, Dan, that you wanted to add.

Group Director, Economy:

Thank you, Minister. I think you will be aware that it is a statutory duty of the commission to minimise the harm of gambling on society, effectively. I think it was very proactive of the chairman to make the point and to ask us to consider how Government could support that, and of course that feels to me at least entirely appropriate. Because of course the Gambling Commission in terms of discharging that duty, if they are trying to do that in isolation, it is obviously going to be less effective than if we are doing it as a team. We did engage with the head of public health and discussed some of the challenges around dealing with addiction more broadly but also gambling addiction specifically, having had quite a powerful and emotional presentation from someone that was suffering from gambling addiction and really getting a personal insight into how this can destroy lives. Therefore, I think it gave us all a bit of added emphasis in terms of looking at this more carefully. I think where we left it in terms of brevity was that the chairman, having listened to the Economic Development Department and the Public Health Department and having taken notes on the kind of limitations of how we could support but the desire to support where we could, was going to go away and produce a document, making some suggestions from the Jersey Gambling Commission's perspective in terms of their duty. I think we are yet to receive that but that is kind of where we are. From an officer perspective, I think it is a really good initiative and very timely to make sure that the Government is aligning around some of these social issues.

The Deputy of St. Mary:

When you say "the chairman", do you mean the chairman of the Gambling Commission?

Group Director, Economy:

Exactly.

The Deputy of St. Mary:

Okay. There was some discussion about there being some form of M.O.U. (memorandum of understanding), I think, between the commission and, I am not sure, a health body or whatever, was that discussed?

Group Director, Economy:

If I go through you, Minister. Yes, there is an outstanding M.O.U. We have very good relationships with the chief executive of the commission, Dr. Jason Lane and I think there are 3 key areas that they were very interested in. The first and most pressing is it is simply some structural arrangements around the board and the extension of tenure to make sure that there is a good transition from the existing board to a new board. The second - and this is probably in order of priority - is a discussion around amendments to the Gambling Law, which in some cases the Gambling Commission themselves feel are worthy of review. I am meeting with law officers this week and this is one of the issues that I am going to be raising with them, just to see in what capacity they have got to start helping us look at that. The third point is the M.O.U., with speaking to the chief executive his view is that is the sort of batting order. I think we are starting to look at scoping some of the legislative work and bringing that back to the Ministerial team for conclusion.

The Deputy of St. Mary:

Again, can I ask for any sort of timeline? It should be in the hands of the next Minister if it is not the same Minister.

Group Director, Economy:

I would have thought, Chair, certainly the legislative stuff, yes, amendments to extending the tenure of the board, probably this Ministerial team, the M.O.U. and probably the next Ministerial team as well.

The Deputy of St. Mary:

Okay, thank you for that.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

Could I, if you do not mind, just picking up on the health aspect? When we met with the Gambling Commission, Dan is absolutely right, I thought it was excellent that the Gambling Commission brought this to Government and said they believe there is, potentially, an issue with gambling addiction and a lack of services in Jersey to help provide that. In speaking to somebody who has suffered from gambling addiction it became quite clear to me that there really are a lack of services in Jersey. That was, I have to admit, something of a surprise to me. I appreciate in Jersey we have services to help people with drug addiction, with alcohol addiction but I was surprised, given that I think back all the way to my early childhood bookmakers have had a presence in Jersey's high street for a very long time, so gambling has always been something that Jersey has had as an activity. Nowadays you can gamble on your phone, you can gamble while you are at work, you can gamble as you walk down the street. Gambling is pervasive, the advertising is everywhere, particularly if

you engage in watching sports. It did come as a surprise to me that there was very little in the way of services to help gambling addicts and gambling addiction. Yes, I think it is to the credit of the Gambling Commission that they brought that to our attention and they want to take that forward and I wholly support them in that.

The Deputy of St. Mary:

Yes, and this panel again had a meeting with the C.E.O. and chair of the Gambling Commission and that they confirmed to us and, again, likewise I am pleased that they brought it up with you. Okay. I think you previously informed us that Government itself is not responsible for promoting gambling, other than the public lottery, which is administered by the Government and does generate sufficient charity funds. Where does responsibility lie for promoting gambling generally?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

For promoting gambling?

The Deputy of St. Mary:

Promotion of gambling. Is it not an economic activity?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

That is a very good question. Because from an industry perspective my work has been tied up with the Gambling Commission. I have not worked at all on the side of promoting gambling as an industry in Jersey. I do not know if Dan has that as well. I believe our role is on the regulatory side, not the promotional side.

Group Director, Economy:

Yes, exactly; policy strategy regulation is where we see our role. Obviously we are involved as a Government in promoting a lottery but that is with the Economic Development Department.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, and it has not been our strategy to actively promote gambling outside of the lottery, which generates money for good causes. We have never taken on a role by choice of actively seeking to promote gambling. The regulation, as the Deputy has said, is firmly with the Gambling Commission. They may have the vires to promote aspects of it - I am not sure, we would have to check up on that - but as a policy rule we tend to make sure it is well-regulated.

The Deputy of St. Mary:

I appreciate that the Gambling Commission itself again will say it is not their job to promote gambling but, equally, we hear from them that when they go to venues, et cetera, there are those who are

promoting it and it could be argued that Jersey is missing out on a source of revenue by not promoting it. Has it recently been discussed within the C.O.M. to whether you should be taking a more active role?

The Minister for Economic Development, Tourism, Sport and Culture:

I think Senator Pallett might remember when we looked about whether we wanted to promote Jersey as a centre to attract head office of global gambling operations and it was decided at that time that would not be in the Island's best interests. There was a significant reputational risk, I think, for attracting that kind of business. Other jurisdictions, such as Malta and Alderney and Isle of Man went along that route and I am not sure it worked out too well for some of them. That was a policy decision probably taken in or around 2015, if I remember rightly, or 2016, and we did visit certain other jurisdictions and looked into it and we decided not to pursue it.

The Deputy of St. Mary:

So 2015 ...

The Minister for Economic Development, Tourism, Sport and Culture:

But that we have not really reconsidered it since then. From my perspective - and Deputy Morel will have to speak for himself - I am rather cautious over gambling. We have seen a proliferation of promotion, national promotion, which Islanders can participate in. It is quite frightening, I think, that when you are watching a match you are being encouraged to pick up and with a few clicks on your phone gamble, and I think it is an unsustainable position personally. Having said that, I think in Jersey while we are exposed to that kind of national promotion, I think our on-Island gaming, we are more regulated.

The Deputy of St. Mary:

Does that philosophy you have just explained touch or vitiate against the idea of having a casino on the Island, which, I think, the Minister for Treasury and Resources might tell us is advocated?

The Minister for Economic Development, Tourism, Sport and Culture:

In a former life I took a proposition to the States when I was president of the Gambling Control Committee and the proposition was to reform the gambling legislation, which we did, and part of that was for a casino, which I think has now been rejected at least twice, possibly three times by the States Assembly. There have been discussions about the possibility for a casino in Jersey at some time in the future but that is not on this Government's agenda currently. That has specifically been more topical when looking at such projects as the rejuvenation and redevelopment of Fort Regent and the waterfront but I would suspect that is for a future Government and a future Assembly.

The Deputy of St. Mary:

Okay, I will leave it there. I will leave it for the future Scrutiny Panel as well I think.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

If I may come in just on the issue of promotion and regulation, I think while any Jersey Government may choose at any point to promote gambling as an industry to try to attract businesses to Jersey, that will be a future Government's choice. I think if that is a decision that is made then the Economic Development Department could only play one role. I do not believe when you have a promotion and a regulation role they should sit in the same department. At the moment Economic Development is responsible through the Gambling Commission for regulation. If you were to say tomorrow we want to promote this industry, I believe that role should then be outside of Economic Development, otherwise the department itself becomes conflicted and I think that is difficult when it comes to regulation.

The Deputy of St. Mary:

Okay, perhaps there are some conflicting roles elsewhere in the Government, we will leave it at that, thank you.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

That is one of the reasons why I said it.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, and that is a view of Deputy Morel but there are, like you say, others. Perhaps we will not go down that route because we will be here for a long time.

The Deputy of St. Mary:

I think perhaps we will leave that for the next Assembly. Okay, thank you. Over to you, I think.

Senator S.W. Pallett:

I do not know how far we are going to get with the next section, I am just going to go on to sports infrastructure. I know the Assistant Minister is not here and I do not think the officer is here either.

The Minister for Economic Development, Tourism, Sport and Culture:

I am not sure the Deputy of Trinity was due to be here. We have not been able to reach him; I hope everything is okay. He did miss some dates due to some illness recently but can I suggest ...

Senator S.W. Pallett:

Okay. I am not going to ask questions where I know the answers and you probably do not.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes. The Minister for Sport, Senator Pallett, probably knows more than we do but I would suggest the Deputy brings that into a private hearing and a separate hearing might be ...

Senator S.W. Pallett:

Yes, we will send these on by letter, I think.

The Minister for Economic Development, Tourism, Sport and Culture:

Okay, that is good, thank you.

The Deputy of St. Martin:

I am happy to move on then.

Senator S.W. Pallett:

I think we will move on, yes, please.

The Deputy of St. Martin:

Yes. Minister, we are just coming to a subject now which on my paper is entitled “construction and labour costs rising” but I would like to generalise that out much further. We have seen in the last months, the last couple of years Brexit, COVID and the situation in Ukraine and they are all having different and significant effects on the economy, not just in Jersey but of the U.K. and around the world.

[11:30]

But specifically just to start with construction. The cost of materials for building has literally gone through the roof, certainly I am updated on a monthly basis. Do you have a contingency plan to try to keep prices down for things like construction, for example?

The Minister for Economic Development, Tourism, Sport and Culture:

The Anti-Inflation Strategy Ministerial Group, which is not a standing group, it stood up in times of forecasts that would require its input, has met twice recently and the last time we met, I think I have got to get the dates right, it was last week or the week before last and the office team led by Tom; it would be my pleasure to hand over to Tom on this in a minute. First, I can say that it is the Government’s intention to provide support to Islanders and businesses to help offset the cost of rising inflation and it is agreed that that financial support should be targeted to ensure it is optimum and most effective. We have asked officers and Tom’s team to come back to us with some proposal

that will help alleviate some of these challenges. If I could hand over to Tom now and perhaps you could talk a little bit about your thinking on that, Tom.

Chief Economic Adviser:

Absolutely, thank you. I think it is a really important starting point to try and understand where the inflation pressures are coming from. I think a lot of what we are seeing is a lot of the U.K. major elements of inflationary pressure. Cost of living pressures are really quite different to the Jersey experience to date. Being 3 weeks in I am learning quite quickly about that. But obviously the inflationary pressures in the U.K. are a much wider issue; it is the cost-of-living pressure as a whole, with the U.K. citizens being hit in the last 3 or 4 weeks by a number of different things, which include tax rises, interest rate rises, inflationary pressures ...

The Deputy of St. Martin:

Social security.

Chief Economic Adviser:

Exactly. It is quite a different issue to that of Jersey. That is not to say that the inflationary pressure will not see it through. Inflation in the U.K. has been largely driven - it has been higher for a while - with a spike for retail gas prices quite acutely and longer-term wholesale gas prices through electricity and other energy as well, and, again, they are not necessarily things that are felt in Jersey. What we have, therefore, got to ensure is that where those sector specific and pressures are being felt, we can come up with targeted approaches. When you talk about construction, construction is very much at the centre of this because it is a high energy user and energy is one of the main drivers globally. Other areas around labour, obviously that is another area where - as you mentioned COVID and Brexit - labour markets are not operating in the way they were just 3 years ago and driving up prices. Again across the U.K. and western Europe we have seen price increases for lorry drivers, for instance, quite acutely, and that is feeding its way across different sectors as well. So it is quite important that we target where we can either the production elements or the consumer elements, I think, and we just need to make sure we get that balance right that also does not add to further inflationary pressures as well. So we will be coming back. We are doing an impact assessment on some of the actions that have happened already over the last 2 years. There was an inflationary spike 4 years ago in Jersey and the U.K. We are doing an impact assessment of how effective they were and what the cost was and coming up with some new proposals that were both heard about and trying to target where the impacts are. We have a session next week across the economy group, which will look at that, and again we will be looking at what the economic impact, costs and benefits would be for any of those items so that we are ready to give some strong advice on what that would be to make sure that those interventions are as targeted as possible.

The Deputy of St. Martin:

There are a number of places I could go now but let us just look at staff, for example, for one. The cost of living is becoming a real issue in Jersey. We have staff not coming to the Island that we would like to recruit because they cannot afford to live here when they come and we have seen more recently we now have staff considering leaving the Island because of the cost of living here. How quickly can we move and where can we address those cost-of-living issues, given the pressures are coming from outside the Island?

The Minister for Economic Development, Tourism, Sport and Culture:

In the first instance, I think we all understand we have got a bit of a perfect storm with Brexit, COVID and, of course, now the geopolitical instability in Europe and other parts of the world. We have got, I think it is termed, the great resignation where people have been rethinking their lifestyles and their careers on the back of COVID and the expansion of technology for work, and that is causing great staff shortages across a whole range of careers from commerce to health and other things. Of course we have a situation where some of our key industries such as tourism and agriculture rely on the importation of staff and those staff are either facing better opportunities in their own countries or finding the cost of coming here now just too expensive, not helped, of course, by our housing shortage. I do not think there is a quick solution to this. This is something that is going to need some very careful thought and it is tied into the way we manage our population, the way we deal with the housing shortage. I personally believe, from working closely with the Minister for Housing and Communities and other Ministers, we need to look at amending our housing regulations to provide for good quality key worker accommodation. Those are the conversations we are having. The officers will be working up some ideas on that but there is no quick solution. In the meantime, industry is managing but it is struggling. We have seen some hyper-wage inflation in certain sectors of the economy as they fight to compete to retain staff and we could well see ... normally in the past 4 to 5 years we have enjoyed unprecedented periods of economic growth. I think that will slow down. We will not see as many new businesses emerging in the short term while this sorts itself out. Now, that is my view from a political perspective. If Tom feels he wants to put some economic theory around that, then be my guest.

Chief Economic Adviser:

Just to mention labour costs, one of the ways you get over the cost-of-living crisis is to increase wages, so labour costs can be seen through both lenses as being a negative of increased inflation but being a real positive for the Island economy as a whole. Obviously we want to drive high wages. It would be a gold lending economy with any government over time. That has to be set against the context of inflation and housing prices as well. That can be definitely seen as a positive. What we need to ensure is that they get into the right places at the same time, because that is a restriction on growth. It is a challenge that is hitting every western economy. We are in a state of flux and, as

the Minister said, these are long-term issues that are going through a particular acute phase at the moment. I think what makes it really difficult is for long-term issues you need long-term policy solutions and in the state of flux we are in at the moment that makes it even more difficult to come up with the right policy issues that do not necessarily have a longer-term negative impact as well. That is distinctly possible because economics are changing quite rapidly at the moment.

The Deputy of St. Martin:

Absolutely. I could not disagree with any of that and long term, I do not know how far you see long term. We are fortunate we are coming into spring and the temperatures are going to rise but energy, Minister, will be a major concern for you. I had an email this morning from a large haulage and plant company saying that their diesel prices have risen 42 per cent in the last month and that they cannot any longer absorb those sort of costs and they are going to have to start surcharges. I understand that ferry companies and others will have to follow suit. Is there anything that we can do, that you can do, Minister, to help with the cost of energy, the cost of liquid energy, gas or fuel?

The Minister for Economic Development, Tourism, Sport and Culture:

There is something Government and the States can do. Well, there are a number of things we can do. Can I just go back? I just wanted to caveat my previous statement. We have said this is a long-term challenge. It does not mean we are not going to do anything in the short term but the short-term actions will be just that. They will be providing support to see business through into a longer-term, more sustainable position. So your question leads on well from that. We have discussed whether we reduce fuel duty per litre but, of course, fuel duty is fixed per litre. If the cost of oil rises, the duty does not rise with it. The duty is a fixed price and we have an unusual situation of seeing approximately 20p per litre price differences across forecourt prices. I do not think it is deemed that a reduction in fuel duty would necessarily find its way all to the consumer, so we have to find ... and this is what some of the work that Tom is doing now from our last anti-inflation strategy group meeting. We have asked officers to come back and say how can we best help businesses and Islanders make sure our financial support is targeted to keep cost of living down. Of course, hauliers have a big inflation because everything we import relies on ... speaking to British Airways recently and to Condor coming out of the pandemic, what has happened now with the price of oil, the price of running their boats and planes, has gone through the roof, and of course that impacts on everything. Everything we consume is delivered using the combustion engine, which runs on oil, as you know. I am not sure, Tom, if you are ready to share some of your thinking, if you have worked it up, on how we might provide targeted support.

Chief Economic Adviser:

We obviously have a fixed amount of money that we will be able to use to target it and what we just need to make sure is that we use that in the wisest way possible. Fuel duty is a really good example.

If you reduce the fuel duty by 9p and you are talking about a 42 per cent rise, it is not really going to have that big an impact because the price itself has gone up by 50p, 60p. There are examples from the U.K. where the fuel duty was removed and that same night the prices went up because the market is still growing, and that will fall back in time, hopefully, as well. So that is not necessarily something that will continue. So if we are going to use that money it is to ensure that it is being targeted in the right way, at the right sectors, giving them the support that they need, and the right consumers who most need that support are receiving that as well. Fuel duty would not necessarily see some of the targeted approach when it is spread across everybody, not maybe hitting the exact right sectors you want again because it is spreading across everybody, and maybe not quite hitting those who are hit hardest at the moment as well. So we are still looking through a number of the different options. As I say, we have got a meeting next week across the Economy Department where we are discussing the impacts so we can bring the learning that everybody has and the understanding that everybody has of the local economy to try and assess where those impacts are and what the solutions might be as well.

The Deputy of St. Martin:

Okay, thank you. One of the specific industries that has possibly been as badly affected as any is agriculture because of staff, Brexit, COVID restrictions, the situation in Ukraine, as we know, a major exporter not only of food but also fertiliser and gas from Russia is used for ammonia. Farmers are really up against it at the moment. A lot of farmers in the U.K. are not planting crops this spring because they cannot afford to. The price of fertiliser has gone through the roof and, of course, most recently, Minister, we have lost our major local food and vegetable producer. Have you got any assistance for the agricultural industry coming down the line that can help to maybe alleviate in some small way the food shortages that we may see coming out of the U.K.?

Assistant Minister for Economic Development, Tourism, Sport and Culture:

In the slightly longer term, speaking of the Government Plan, which obviously will be in November, December this year, the new rural economy strategy will be seeking to effectively double the amount of money the Government use to support the industry, and that will be through the single area payment, quality milk payment, the rural initiative scheme; so using all those schemes and providing more money. We are also bringing in more producers to that, so at the moment protected crops, glasshouse crops are not included in those payments. The aim is that those will be. I have to caveat all of this. I can just feel Rebecca saying this has not gone through the Council of Ministers yet, so there is a little highlight and I am hoping it will this afternoon. So we are doing that through the long-term rural economy strategy. In the short term I have asked officers already can we provide short-term help to the sector, particularly for things like fuel costs. That is something that I have received a positive response from officers on and we are looking at that at the moment, but that is low 6-

figure sums, those sorts of numbers, for the short-term help. I do not know if Rebecca has any more to add to that. Certainly as I was talking I was thinking we have not gone through C.O.M.

The Minister for Economic Development, Tourism, Sport and Culture:

This afternoon.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

This afternoon, exactly.

Head of Local Economy:

The rural and marine economic frameworks are being taken by the Council of Ministers this afternoon and so the Deputy is alluding to some of the policies for them. What we have talked about for 2022 is a recapitalisation of the rural initiative scheme, so raising the budget, which would be subject to a bid to the economic recovery allocation. But we have discussed that as a Ministerial team a number of months ago to provide more support to the sector.

[11:45]

Then, Deputy, this week we discussed whether there was any possibility of short-term support specifically looking at the fuel costs, so that is something we are now going to look at.

The Deputy of St. Martin:

Okay. One of the things that agriculture cannot benefit from, of course, is the working from home policy. Minister, do you have any idea what percentage of the finance sector are now working from home?

The Minister for Economic Development, Tourism, Sport and Culture:

I could take a guess but I think that is Senator Gorst's area, so I have not been that close to it, but it is ...

The Deputy of St. Martin:

Do you see working from home continuing?

The Minister for Economic Development, Tourism, Sport and Culture:

I think we will end up with some sort of hybrid model of how we do things, not just in the financial services sector but in all sectors of the economy. There are some new businesses emerging that are home-based because of technology and there are some businesses obviously that cannot work like that. The future economy work we are doing will address those problems. We are looking at

how technology will impact upon future employment opportunities. I am not really sure I know the answer but I would say we will end up with a hybrid model, but I still think anecdotal sort of evidence now is everybody is pleased to be back to work. There is certainly a lot more to be achieved by sitting in the same room working and that was probably highlighted by a very successful trip Senator Gorst and I had to Guernsey yesterday where I think we achieved ... we have had Teams meetings with our colleagues in Guernsey and I would say we got more done in an afternoon, being in the same room, as we did in a number of meetings on ...

The Deputy of St. Martin:

But is working from home, or should I say more accurately working remotely off-Island but in Jersey at the same time, something that we could expand on to try to help our staffing crisis?

The Minister for Economic Development, Tourism, Sport and Culture:

It could be a bit of a double-edged sword. I think there are both potential pitfalls and opportunities. We can have expertise and knowledge based in Jersey. We have a lot of knowledge and expertise based in Jersey that consult and provide services from Jersey to the rest of the world. Equally, some businesses based here could import that and that is an important workstream on our future economy work. I think there is more opportunity than pitfall for us and it could help us. We struggle with our population management because we have had to continue to import people to quench our thirst for labour. Now, if technology can help us to balance that then I think that is an opportunity.

The Deputy of St. Martin:

You think there is a balance between reducing the income tax take and people working off-Island?

The Minister for Economic Development, Tourism, Sport and Culture:

This is a question that I think every country in the world is going to have to address; this is not unique to Jersey. Every expert in their field all over the world will have the facility on their desktop in front of them to sell their goods and services to the rest of the world, and I think that is an issue. How that is taxed is a global issue. Whether a tax is paid by the business that is being provided with the service, I do not know, but we have to ... that is key. We cannot sacrifice tax revenue for that and we certainly cannot make it a policy to say we will allow most of our labour to be provided overseas. It is something the whole world is going to have to wrestle with and find a solution for.

The Deputy of St. Martin:

Okay. I am going to ask you a very general question now. This is the last one but it is one that Governments across the globe are going to have to start wrestling with given the situation in eastern Europe and global warming. Where are you or where do you think Government are at the moment when it comes to using fossil fuels, which we are finding we are going to have to do given the

shortages that may be coming from other places and the priority of trying to reduce global warming by reducing carbon emissions? How does it affect the economy? Can we do both? Could we fiscally survive trying to combat global warming while absorbing all these massive increases in carbon fuel cost?

The Minister for Economic Development, Tourism, Sport and Culture:

I think we can. I might turn to Tom for some help in a minute on that. We have set our own ambitious targets for carbon neutrality but ultimately it is a bit like inflation; 90 per cent of it is out of our control. Our inflation is led almost in its entirety by global circumstances. We could ban fossil fuel engines from the Island next year but that is the only thing we can buy at the moment. We are led by how the rest of the world manufactures these products. Speaking to British Airways yesterday, the commercial director of British Airways, their target is to have 10 per cent of their fleet on green aviation fuel by 2030. Now, that surprised me. That is a lot slower than I thought. I thought they would be well ahead of the game. The International Maritime Organisation ... when we are talking about fleet configuration with Condor, obviously now when investments are being planned, multi-million-pound investments, in fleet, they have to have one eye on future propulsion. They do not want to invest in something now that is going to be obsolete in 5 years. But the expert advice that is coming down the line is that for commercial travel and commercial use there is still quite some time required to make that transition. I am not sure if I answered the question.

The Deputy of St. Martin:

No, I think what I am trying to get at is there will be potentially enormous cost to everybody in Jersey, in the U.K., in Europe trying to combat climate change. Governments will use fiscal measures to try to get people to reduce their amount of diesel or whatever carbon fuel they are using, but how do we balance that? Is it possible to balance it against the massive rises in fuel that we are going to see at the moment, the increases in cost of living, the major difficulties that we are facing as a result of Brexit, COVID, Ukraine? Can we cope with that financially and hit the economy with more cost to combat carbon emissions?

The Minister for Economic Development, Tourism, Sport and Culture:

Jersey is in a very fortunate financial position. We have got very strong reserves. We have got very good revenue streams. We have seen how our economy held up through the most challenging of periods, so ultimately, yes, Jersey can deal with it. We are in a fortunate position because we are an island, we are 9 by 5, we do not have huge distances to travel. We are ideally placed if we are prepared to embrace it and be innovative, to embrace technology and we are well better placed to make much more use of environmentally friendly energy sources from tidal to wind to geotech. So, we can do it. I know Kirsten wants to come in so he can talk about the financial challenges around that.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

The question you asked, Deputy, is fundamental. It is the question that before these price rises I was asking the States how do we manage this transition while not putting a burden particularly on the poorest in society. That is the real question. That has now become more acute because of the price rises but I think there is one way of looking at it and that is we are, as a society, not just Jersey, the world, addicted to oil and fossil fuels. Now if you have got an addict, is the answer to remain on that for longer and longer and longer? I would argue that, no, it is not and Jersey is in a unique position, because, as the Minister said, we have strong finances. We should use them as best we can but we can see how the price of fossil fuels will always be subject to enormous shifts in geopolitics around the world, shifts that Jersey will have no control over. To me, the answer, therefore, in the medium to long term is to reduce your dependency on those fossil fuels because then you will reduce your exposure to those shifts. So for me the answer is, no, we have to press ahead because to stay where we are, just remain addicted to fossil fuels, means that these geopolitical shifts will always be affecting Jersey massively. To do that you have to protect the society who are poorest. We have a very interesting conundrum in Jersey where you do have people who are wealthy enough to talk about their own sustainable power. People talk about having floatable tanks on their own roofs and things like this, and that is fantastic for that one household but when the household does that it disadvantages the rest of society in Jersey because middle to high income can afford floatable tanks but that leaves the only customers of Jersey Electricity will be the lower income people, which means they will end up paying higher prices for their electricity. Again, the answer there for me is Jersey needs to look at centralised, renewable generation. Can we have wind power, can we license areas of our seabed for wind power? The answer is, yes, we can because at the moment we know Europe is absolutely crying out for new renewable energy sources, so Jersey can tap into that demand. For me it is a really clear answer that our direction of travel has to remain to remove ourselves from the addiction to fossil fuels but we need to do so in a way that protects the poorest but takes opportunities. I also believe that green technology is a fantastic enterprise opportunity for Jersey. We can be a test bed. We have a fantastic firm that is offering sharing vehicles around the Island that just needs a little bit of help to move even further down that line and help Jersey move away from this addiction to fossil fuel in the same way. So I think there is huge opportunity here. This is not the time to shy away from it just because we have what will be in relative terms a fairly short lift in prices with regard to fossil fuels.

The Deputy of St. Martin:

I am going to stop you there because that is a positive note and I think it is good to finish on that one. I will hand back to the chairman.

The Deputy of St. Mary:

Thank you for that. Before we leave construction and labour costs, can I ask one question? Fresh from the debate on the bridging Island Plan - if "fresh" is the right word - Minister, have you considered, or maybe it is in course already, any review as to building and construction methods? I am mindful particularly of the lack of mineral resources, the quarrying, et cetera, if there is a real fear that we are going to be able to carry on producing enough to maintain our traditional ways. Is any survey going to be carried out as to alternative building methods and the import of more prefabricated buildings?

The Minister for Economic Development, Tourism, Sport and Culture:

Again, that crosscuts a number of departments because we are looking at the on-Island production of aggregates versus importation, which will guide that to a certain extent. We all, I think quite rightly, did not support an extension of a quarry in St. Mary and that now gives us an estimated, I think, 5 to 7 years of on-Island supply, so that is something that is going to have to be addressed. But there are a number of workstreams, I think, both inside the Government and from outside the Government. In fact the construction sector themselves are quite advanced on this. They are always looking for better, more productive and less costly ways for constructing property, but of course we have, quite rightly, very strong building controls. When we build properties they have to be safe and solid and fit for purpose. It is something that is going to have to be worked out. Dan is bursting to come in.

Group Director, Economy:

Just on a broader point around sustainability, which I think you mentioned, Chairman, I think it is fair to say or important to acknowledge the contribution that the Department for the Economy has made in the context of the carbon neutral road map and picking up on some of the points that Kirsten made about what that means for the Island. It is quite far reaching and I think yet to be determined. There is a debate on the carbon neutral road map coming down the track, but all of these things are in broad consideration around the alternatives that might be put into a preferred strategy that include all the things that you are talking about and how do we take the steps that we need to to minimise the offsetting that we need to inevitably make in 2030. We have been helping our policy colleagues create a multicriteria appraisal framework for all of this sort of stuff and what does that mean in terms of our policy options more broadly. I think there is good connection between our Policy Department and the Economy Department in terms of trying to make future recommendations on what those policy options look like but also to do so in a way that provides a fair transition for sections of the economy or individual people within society.

The Deputy of St. Mary:

Thank you. I am just wondering if the debate created a focus to streamline, from what you say, the various bits of work going on. Are they ... I am not saying being well-managed. Are they being orchestrated as one single policy, as it were?

[12:00]

The Minister for Economic Development, Tourism, Sport and Culture:

I think the catalyst for that is the acute urgent housing situation. I think that is going to drive this because we have to find ways of producing fairly quickly more affordable and sustainable housing. All of these workstreams I think are being ultimately driven by that fact.

The Deputy of St. Mary:

My final question: is there entered into the equation the fact that there is talk, obviously, of increasing costs to bring over prefabricated material from the U.K., et cetera? Part of that cost is harbour dues, so there is scope there for ... I will not say massaging the figures but to make savings, or potentially savings at any rate, at the expense of harbour dues? We are in control to a certain extent, are we not?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, there is scope for that but, of course, we have to be mindful of the fact ... and it is the same with duty. You can reduce duty but if you are not careful it means that the distribution chain will just take more profit if the supply and demand issues are not matched up. So that is a solution but we want to make sure that any action we do take finds its way to the consumer and is not absorbed in the distribution chain.

The Deputy of St. Mary:

Okay. My next topic is ... well, it is hardly a topic. It is a simple question really. It relates to COVID-19, the events industry and co-funded payment schemes. Can you please provide an update on the various co-funded schemes that were put in place to help businesses deal with COVID? Are there some still in being for the moment and is there capacity to resurrect them should it be necessary?

The Minister for Economic Development, Tourism, Sport and Culture:

Well, I hope we do not ever have to resurrect them but, yes, of course, if we have to go down that route then we are ready to resurrect the schemes. I think it is fair to say we have learnt a lot over the last 2 years and I think for any resurrection of the schemes, as we have been fine-tuning and improving the schemes all the way through, that would apply. So if ever we had to do that, I think we are in a good position to do it.

The Deputy of St. Mary:

For clarity, have they all come to an end now? Are the events industry receiving ...

The Minister for Economic Development, Tourism, Sport and Culture:

I am looking to Rebecca. I think it is end of March, was it, end of April?

Head of Local Economy:

It ended at the end of March. So this month, in April, is the last month for claims to be put in for both the visitor and accommodation support scheme, the visitor attraction and events scheme and fixed costs support scheme.

The Deputy of St. Mary:

So they are finished and we will ask ...

Head of Local Economy:

They are finished but they made payments in arrears so we are ...

The Minister for Economic Development, Tourism, Sport and Culture:

So they finished at the end of March.

Head of Local Economy:

Yes.

The Minister for Economic Development, Tourism, Sport and Culture:

Businesses have until the end of April to claim.

The Deputy of St. Mary:

Okay, thank you.

Senator S.W. Pallett:

Yes, just one question around arts strategy. I presume it is going to be the Assistant Minister who can provide an update on the work between the Government and Jersey Opera House in regards to the refurbishment project.

Assistant Minister for Economic Development, Tourism, Sport and Culture:

I will pass that over to Rebecca. Could you give an update on the Opera House?

Head of Local Economy:

Sure. So where we are at the moment is the funding for the original fiscal stimulus bid is being worked into a planning application, so that is due to be submitted in the next few weeks. That work

is ongoing with the design consultants that have been appointed and we anticipate there may be some additional funds required for those works given that the bids were put in at the end of 2020 and they were based on condition reports from 2019. So if that is the case, then we would have to put a bid in for additional funds to support either the original scope for fiscal stimulus works or anything else that comes out through those designs and the planning application process.

Senator S.W. Pallett:

How long do you expect the planning application to take before you can get it in?

Head of Local Economy:

To get it in? I think we are in the sort of 4 to 6 weeks, that sort of timeframe, and then we are looking for the planning application bylaw application to be run in parallel and then for physical works to be able to start towards the end of this year running to June 2023. That remains the completion date for the fiscal stimulus works.

Senator S.W. Pallett:

But is it more a minor works application rather than any major works on the Opera House? I am just thinking of the time for the ...

Head of Local Economy:

Sure. It is the same scope as within the fiscal stimulus bid for that so, at the moment, there is no change to that process.

Senator S.W. Pallett:

Okay, and I am presuming that is approved. Funding has been agreed.

Head of Local Economy:

Funding for the fiscal stimulus works is agreed, yes.

Senator S.W. Pallett:

Okay, fine. That is good. That is all I have. I will hand over to Deputy Luce.

The Deputy of St. Martin:

Yes, another tourism question, Minister. Can I ask how advanced is the draft tourism strategy please?

The Minister for Economic Development, Tourism, Sport and Culture:

Well, I am pleased to say it is well-advanced and I am also pleased to hand it over to Ian who can give you a brief update on that.

The Deputy of St. Martin:

Well, before he answers, can I ask: have you seen a draft copy?

The Minister for Economic Development, Tourism, Sport and Culture:

Yes, I have seen several draft copies and I have amended several draft copies as well.

Sector Lead, Retail and Visitor Economy:

Deputy, I have the pleasure of going to see the Council of Ministers this afternoon with a draft that has previously been through the executive leadership team. If that draft has not already made its way to you through the Ministerial Support Unit, then with the Minister's leave, I will make sure that you get a copy of that today, appreciating that I have to walk through the detail of it with the Council this afternoon. There are some headline elements within it that are, I would like to think, pretty much exactly as per the previous briefing that the planners have received regarding upscaling event-led tourism and consideration of the position with short-term letting and other matters so, yes.

The Deputy of St. Martin:

Do we have a timing on lodging this or presenting it to the Assembly, Minister?

The Minister for Economic Development, Tourism, Sport and Culture:

Well, I have undertaken to present it in this Government so we are looking towards the end of April/beginning of May. That sort of timescale.

The Deputy of St. Martin:

Okay, a final very, very quick question on that, if I may. How is the season looking?

The Minister for Economic Development, Tourism, Sport and Culture:

Well, bookings for the high summer months are looking very strong. It is still a little bit patchy at the moment. Obviously, we have had an extended winter and temperatures have not helped. We normally benefit at this time of the year from late minute long weekend bookings. That has been hampered by the poor weather but there is a lot of optimism in the industry, I am pleased to say, notwithstanding there are still challenges around labour and increasing costs. We have seen obviously the hospitality sector are the largest users of gas within their catering facilities and of course wholesale food prices are probably running at about 25 per cent higher than they were at this time last year. So there is a lot of optimism but also challenge.

The Deputy of St. Martin:

Okay, thank you.

The Minister for Economic Development, Tourism, Sport and Culture:

I think if I can just get in the announcement by British Airways and Ports of Jersey yesterday which has served as a welcome shot in the arm for the industry.

The Deputy of St. Mary:

All right, the next item then. I hope you can answer this in the absence of the Assistant Minister for Economic Development, Tourism, Sport and Culture. It is to do with the Jersey Rugby Club and it is funding and I am aware, from what the club has said, that they are going through a reorganisation period, shall I say. Could you expand on how it affects funding to date and any future funding please?

Group Director, Economy:

Yes, perhaps I could start and then perhaps Becs can supplement. Effectively, you will be aware that there was a discussion around the splitting of the professional club from the amateur club. Members voted for the separation and this will facilitate, I guess, more opportunity to pursue additional private funding which was clearly something that we tried to encourage previously. The Government Plan, historically, has supported professional rugby quite significantly over the years with £250,000 in 2020 and £150,000 in 2021 with an additional £50,000 provided for in the Government Plan for this year. At this stage, there was no further Government commitment anticipated in the Government Plan but of course, as you might expect, we continue to have a regular dialogue with the club as they move through their various stages of evolution.

The Deputy of St. Mary:

Okay, you mentioned, for this year, £50,000 was committed. Has that been paid and does their reorganisation affect that in any way? Will they still get that?

Group Director, Economy:

I will perhaps pass on to you, Becs, for the detail on that.

Head of Local Economy:

Sure. No, that has not been paid yet but it remains a commitment within the Government Plan. What we are doing, in conjunction with the club, is trying to do a bigger piece of work looking at the contribution that the club brings to the Island. That is part of a much wider piece of work we are doing in the local economy around arts, culture, heritage and sport. That is a broader social as well as economic contribution, so we have had discussions with the club around that which is all designed

to support any further ambitions or objectives that the club may have by quantifying the contribution that they bring.

The Deputy of St. Mary:

It is on that basis. It is economic benefit. It has had grants before, has it not?

Group Director, Economy:

Exactly. You will be aware that there was a piece of work done around assessing the economic benefit of the Reds that was, in a sense, the precursor to the bids in the Government Plan. I think it is probably worth highlighting that the £50,000, bearing in mind the split of professional and amateur, is very much associated with the supporting of the professional side of that business.

The Deputy of St. Mary:

All right, which brings me on to my other point which is, like other amateur sports clubs, they will require funding. Presumably, the professional side, being strictly professional, will not affect the Government's view of providing support for the amateur side, I take it, or will you be looking to the professional side to support the amateur side?

Group Director, Economy:

It is an interesting question. The amateur side, to a certain extent, is supported by the activities of Jersey Sport itself. Our focus, from a Government perspective, is on securing the benefits of the professional side, which is the basis on which the economic impact assessment was made.

The Deputy of St. Mary:

Okay, so thinking on the amateur side only, if they sought financial help, they would not be penalised for having a big brother professional club next door to them. Is that right? You would not be expecting the professional side to ...

The Minister for Economic Development, Tourism, Sport and Culture:

I think, from an Economic Development perspective, our interest is in seeking a return for the economy.

Group Director, Economy:

Yes.

The Minister for Economic Development, Tourism, Sport and Culture:

I think the amateur side would receive support from Jersey Sport, yes.

The Deputy of St. Mary:

So the professional side and connection would not be impeding them.

The Minister for Economic Development, Tourism, Sport and Culture:

So we will continue to support all streams of rugby through the appropriate channels.

Group Director, Economy:

Yes, exactly.

The Deputy of St. Mary:

Okay, well, thanks for that, yes. Any more questions on that.

Senator S.W. Pallett:

Just a couple. The first one is: has there been any formal request from Jersey Rugby on the professional side for further funding?

The Minister for Economic Development, Tourism, Sport and Culture:

I am not sure if we have received a formal request. We have had a number of discussions with them that have ...

Senator S.W. Pallett:

Around further funding?

The Minister for Economic Development, Tourism, Sport and Culture:

Around funding and their opportunities and their commercial opportunities and I think they have gone back and looked at certain improvements they can make to their model and I am sure Becs can ...

Head of Local Economy:

Yes, some of those discussions are still ongoing so in requests for support and not for funding in the same way as through the Government Plan but in relation to ... you will be aware that there was a fiscal stimulus bid, so in relation to some of their opportunities for development. So we have had discussion around that but that is also forming part of that piece of work I mentioned to you, which is around quantifying the benefit for the Reds economically and socially into the Island. It is all part of that sort of basis of those discussions.

Senator S.W. Pallett:

Just around the separation of the amateur club and the professional club, Jersey Athletic obviously travel off-Island and play off-Island. That is expensive. Are you saying or have you knowledge of

that element of the club being self-funded in terms of being able to fulfil their fixtures? Travelling off-Island with rugby players is an expensive thing to do.

The Minister for Economic Development, Tourism, Sport and Culture:

If I could come in on it, I think we are having similar conversations with the Jersey Bulls on the soccer front and netball, cricket and other teams that travel, Senator, because you have been there. There is an insatiable demand for financial support.

Senator S.W. Pallett:

Yes, I am taking the flack and I have the scars.

The Minister for Economic Development, Tourism, Sport and Culture:

So we are dealing with that. We certainly will support the clubs, especially those that travel, as best we can.

Senator S.W. Pallett:

Is the travel fund back up and running again to support because it was used for various other things during COVID? Has money been made available for sportsman to be able to travel off-Island?

The Minister for Economic Development, Tourism, Sport and Culture:

Travel sports grants, yes.

Head of Local Economy:

Yes, travel grants are available.

Senator S.W. Pallett:

How much has been put aside for 2022?

Head of Local Economy:

So there is additional funding, so I would have to get you the specific figure now.

The Minister for Economic Development, Tourism, Sport and Culture:

We will get you the figure.

Head of Local Economy:

We were able to increase the budget for this year because it was under spent from last year, so I can get you the full figure.

Senator S.W. Pallett:

Yes, I think that would be useful.

Head of Local Economy:

Yes, no problem.

Senator S.W. Pallett:

I have nothing around the Rugby Club. I have another couple of quickies.

[12:15]

The Deputy of St. Mary:

Yes, if we have dealt with rugby, if you would like to carry on with your activity.

Senator S.W. Pallett:

Okay, a lot of these should be “yes” or “no”. Am I right in saying that you were going to produce a productivity plan by the end of this term?

The Minister for Economic Development, Tourism, Sport and Culture:

No.

Senator S.W. Pallett:

Okay, that is fine.

The Minister for Economic Development, Tourism, Sport and Culture:

No, productivity is a key part of the economy work that we are doing but we were not going to produce a specific productivity plan.

Senator S.W. Pallett:

Okay, so that will fall into the next term.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes.

Senator S.W. Pallett:

Okay, around the 2 contracts, how long has the super league contract left to run or does that need to be renegotiated?

The Minister for Economic Development, Tourism, Sport and Culture:

The super league contract is negotiated annually basically.

Senator S.W. Pallett:

So it is not for a set period?

The Minister for Economic Development, Tourism, Sport and Culture:

It is not for a set period of time. We have set an intention out for a period of time but that, I think going into COVID and coming out of COVID, we need to be flexible on that. One of the big challenges super league have for this year is on-Island sponsorship because coming out of the pandemic, there is not as much of that available.

Senator S.W. Pallett:

Has that contract been agreed yet for this year?

The Minister for Economic Development, Tourism, Sport and Culture:

Not yet, no. We are still negotiating it. It may well be that we have a gap this year. I am not sure. We are talking about that. It will depend. We can only go so far and the event costs them over £1 million to stage, so they are reliant on sponsorship. They are also getting good traction in other cities as well so it might be go to bi-annually or have a gap. We are having those discussions, yes.

Senator S.W. Pallett:

Those are the areas to resolve.

The Minister for Economic Development, Tourism, Sport and Culture:

Yes.

Senator S.W. Pallett:

Okay. The other one, which was close to my heart but I think is now under Ports, is the lifeguard contract. How did that transition pan out? Did it work well? How is it funded currently?

The Minister for Economic Development, Tourism, Sport and Culture:

I am not sure we have the relevant officer.

Head of Local Economy:

The R.N.L.I. (Royal National Lifeboat Institution).

The Minister for Economic Development, Tourism, Sport and Culture:

Can we get back to you?

Head of Local Economy:

Yes, the R.N.L.I. is funded through the department so in terms of the arrangements around beaches, that is jointly agreed between Ports and ourselves but the funding comes through Economic Development and it is on an annual basis.

Senator S.W. Pallett:

So the funding is provided to Ports and Ports pay ...

Head of Local Economy:

No, we pay direct to the R.N.L.I.

Senator S.W. Pallett:

We pay direct. So the oversight of the lifeguards though, is that done on a day-to-day basis by Ports?

Head of Local Economy:

A day-to-day basis by Ports with engagement with the department as well so we have regular meetings at the beginning and at the end of the season together.

Senator S.W. Pallett:

Has there been any major increase in the cost or has it just been R.P.I. (Retail Price Index)?

Head of Local Economy:

It is R.P.I. at the moment, yes.

Senator S.W. Pallett:

Okay, brilliant, that is all I have.

The Deputy of St. Mary:

Anybody else? Well, I think we are done. So if we have finished all our questions, can I just thank you, Minister, not just for today but for the whole last 4 years or so. This is the last public hearing so ...

The Minister for Economic Development, Tourism, Sport and Culture:

Has it not flown by, yes?

The Deputy of St. Mary:

So thank you for your co-operation and we maybe look forward to seeing you in some other guise next time around.

The Minister for Economic Development, Tourism, Sport and Culture:

In an optimistic tone, let us hope so.

The Deputy of St. Mary:

Thank you.

The Minister for Economic Development, Tourism, Sport and Culture:

It is going to be tough. We have a tough challenge ahead of us. Well, some of us have and I want to just reciprocate that thanks to you all for I think an extraordinarily productive Scrutiny process. I also want to thank Deputy Morel who started off the process as chair and then saw the light and joined the Government.

Senator S.W. Pallett:

I saw the light as well. [Laughter]

The Minister for Economic Development, Tourism, Sport and Culture:

He saw the light in Scrutiny, yes. So I just want to thank you for the very professional and thorough way you have conducted Scrutiny. It is much appreciated and thank you.

The Deputy of St. Mary:

Okay, well, thank you all. Thank you, again, and that formally concludes the meeting, thank you.

[12:18]