

STATES OF JERSEY

Public Accounts Committee

TUESDAY, 21st JULY 2009

Panel:

Senator B.E. Shenton (Chairman)
Senator A. Breckon
Connétable J.M. Refault of St. Peter
Deputy T.A. Vallois of St. Saviour
Mr. K. Keen
Mr. P.J.D. Ryan

Witnesses:

Mr. R. Bell (Chief Officer, Social Security)
Mr. R. Lang (Finance Director)
Mr. P. Harzo (Acting Income Support Director)

Present:

Ms. A. Heuston (Committee Clerk)

Senator B.E. Shenton (Chairman):

Okay, we are going to introduce all of us, read out a little bit of housekeeping with regard to that we are not going to sue you or anything like that and then we will start. Welcome to this P.A.C. (Public Accounts Committee) hearing. We have got Deputy Tracey Vallois, Constable John Refault, Patrick Ryan, Senator Alan Breckon and Kevin Keen. Anna is our Committee Clerk. The housekeeping is that the procedures of the panel are covered by parliamentary privilege through Article 34 of the States of Jersey Law 2005 and the States of Jersey (Powers, Privileges and Immunity) (Scrutiny Panel, P.A.C. and P.P.C.) (Jersey) Regulation 2006. Witnesses are protected from being sued or prosecuted for anything said to a hearing unless they say something that they know to be untrue. This protection is given to witnesses to ensure that they can speak freely and openly to the panel when giving evidence without fear of legal action, although the immunity should obviously not be abused by making unsubstantiated statements about third parties who have no right to apply. The panel would like you to bear this in mind when answering questions. If you could just introduce your colleagues for the panel.

Mr. R. Bell (Chief Officer, Social Security):

I am Richard Bell, Chief Officer. To my left Richard Lang, Finance Director and, to my right, Paul Harzo who is the Acting Income Support Director. When he ceases to be that, he reverts to being our Information Services Department business partner.

Senator B.E. Shenton:

Acting Income Support?

Mr. R. Bell:

Yes.

Senator B.E. Shenton:

Does that mean you are recruiting?

Mr. R. Bell:

We are restructuring.

Senator B.E. Shenton:

Restructuring, okay. I was wondering whether you had a bet with one of your colleagues that you would become the biggest spending department within a certain period of time or anything like that?

Mr. R. Bell:

When I got appointed? [Laughter]

Senator B.E. Shenton:

We will start off with a fairly straightforward question. Transitional payments. What exactly are transitional payments?

Mr. R. Bell:

That was not the first question I expected. Transitional payments, with the introduction of income support, there were a number of people who were better off under the new system and there were a number of people who were not as well off under the new system from their, what we call, legacy benefits, those benefits that were replaced by income support. That is rent rebate, Parish welfare, health insurance exemption, 14 of them. Now, I only managed to get to 3 before forgetting the rest. When we put forward income support it was identified that it would not be appropriate to have people lose money overnight and they would have trouble adjusting to their new incomes over a short period of time. It was, therefore, agreed that £22.5 million, but I think that grew to £28.5 million over a period, people would be dropped down from their legacy benefit to their income support entitlement.

Senator B.E. Shenton:

Are people being paid money they do not need or is income support too low because what we have seen with transitional payments is that they were meant to end within a certain timeframe and the politicians - I do not know whether it is the advice of your department - keep extending these transitional payments. Is income support flawed and should we say this is what people need to live off, or is the taxpayer giving money to people money that they do not need?

Mr. R. Bell:

I do not believe that income support is flawed.

Senator B.E. Shenton:

What you are saying is that people are receiving benefits currently that they do not warrant?

Mr. R. Bell:

If they came into the system and did not have the legacy benefit entitlement, they would be on the income support rate. They would not be entitled to any transition period. Indeed anyone whose income changes such that they are no longer in transition, they never drop back into transition. The initial question you asked is relating to the first extension. The first extension was a political decision. The second extension, should it transpire, and I believe it will, relates to the recession. It does not relate to the actual step downs within income support.

Deputy T.A. Vallois of St. Saviour:

Am I not right in saying though, Richard, with regards to the transitional payments that when somebody has a change in circumstances, in fact, that transitional payment removes itself and they are put on to income support?

Mr. R. Bell:

If someone's circumstances change to the extent that their income support entitlement is higher than their legacy benefit, then they are just in receipt of income support from there on in.

Deputy T.A. Vallois:

So it is only if the income support is higher?

Mr. R. Bell:

Yes. Lots of those who are in receipt of transition have an underlying income support but the underlying income support entitlement is less than their legacy benefit. Once the income support goes above, if they then revert back to where they were, they are no longer entitled to the transition benefits.

Senator B.E. Shenton:

When are we looking at losing transitional claimants? There is another extension coming in so when will we finally get out of this transitional payment mode?

Mr. R. Bell:

We have been asked by the Minister for Treasury and Resources, as a result of the bids into the economic stimulus package, to model for him various scenarios to delay it. It has already been announced that the plan is currently to delay the first step down to October 2010.

Senator B.E. Shenton:

But it has already been agreed that paying people benefits that are not warranted will help the economic recovery?

Mr. R. Bell:

It has been identified that paying money to lower income groups is more likely to resort in spending to the economy than higher income groups and, therefore, continuing that money should result in an economic stimulus that would otherwise be removed.

Connétable J.M. Refault of St. Peter:

Just to pick up on that, just a view that, on the one hand, are we saying that it is right to continue with these transitional payments because it is stimulating the economy? Would it not be better to say that it is about time we reviewed them and had a level playing field across everybody on income support which includes transitional payments. Therefore, what I am saying is we have got £10(?) being spent over the whole lot. If we still spend about £10 but spread it more evenly, and put people on income support with the same benefit to the economy. Using that as an argument for keeping it, I think is, personally, a flawed argument. I would like your view on that.

Mr. R. Bell:

If we were to spread it across income support recipients, I would agree with you and on the basis being there, it would not be in any way, shape or form amount to a temporary payment following the 3 criteria set down by the ... I can only remember them as F.P.P. (Fiscal Policy Panel) now.

The Connétable of St. Peter:

Fiscal stimulus package. That is really for new money, the fiscal stimulus package, is it not?

Mr. R. Bell:

The fiscal stimulus package is only for temporary money. I see what you mean. There is almost a negative here.

The Connétable of St. Peter:

But income support is ongoing.

Mr. R. Bell:

This would be withdrawn. It would, therefore, have an additional impact potentially upon the economy. If you do not withdraw it, that reduction of money spent in the economy does not happen so it is reversed stimulus.

The Connétable of St. Peter:

My point being, if you keep the amount of spend on income support, irrespective of additional payments to the same figure, but you spread it evenly to make sure that some are not advantaged against others, then you still get the benefit to the economy and you get a fairer system. But by delaying it, which is now the second or third year to 2010, 3 years ...

Mr. R. Bell:

That would be 2 years from when we had initially intended but one year from where we were planning to go from.

The Connétable of St. Peter:

Right, but we are just perpetuating an ongoing inequity in income support, are we not?

Mr. R. Bell:

It is hard to describe it as an ongoing inequity of income support. These transition payments are outside of income support. They are in addition to income support because people felt that they did not want to move people to their income support entitlement just like that.

The Connétable of St. Peter:

I understand the principles of bringing it in, but I am just questioning the justification for extending the normalisation back to normal income support by yet another year. Not within your gift(?), I understand.

Senator B.E. Shenton:

Staying with income support, the P.A.C. will be looking, going forward, at benefit fraud and fraud within the States. Unfortunately I did not get a copy of the Annual Business Plan although I did get sent an electronic copy, but I do notice that you are looking in the Annual Business Plan to save £500,000 a year from 2011. What are you saying? Are you saying that there is £500,000 fraud going on at the moment, but you just let it go or what are you saying by that statement?

Mr. R. Bell:

I am not saying that. Just a little bit of background first; we are in the process of putting together another fraud strategy to the department to reflect income support coming on line, but also to reflect, because lots of these risks were inherent in the old benefits as well, whether we can learn from anywhere else on how we tackle fraud. The figure we put in of £500,000 will come from ... let us just say we initially put this as a target. We put this in as a target for 2011 because we have got to complete the business case to make sure that those sorts of savings are achievable and there is a net savings as opposed to gross savings. There is no point in employing 4 more inspectors or beefing up your compliance team if at the end of the day it is not going to wash its face. There will be a business case put together before that £500,000 is finally agreed to.

Senator B.E. Shenton:

The figure for 2011 is nil.

Mr. R. Bell:

The figure for 2011 is nil because at that point we were not willing to go for a target that we had not put into a business case and would, therefore, be something that we would be tied to for the Business Plan in 2010.

Senator B.E. Shenton:

How much do you currently spend on trying to find benefit fraud? One assumes by sort of comments that you received it is more prevalent that we are prepared to imagine.

Mr. R. Bell:

Two issues there. One whether it is more prevalent that I would otherwise imagine ...

Senator B.E. Shenton:

It is very rarely you see any convictions for benefit fraud in Jersey or ...

Mr. R. Bell:

We have had 3 this year and we have got another one which has been referred from the Magistrates Court up to the Royal Court. A big part of what we may call fraud, or indeed tackling these areas, will not necessarily result in cases of fraud being brought to the courts, but what we will be looking to do will be to make sure that the decisions are right in the first place and that on the balance of probability the correct benefit is being paid, and increasing training to identify potential areas of what could eventually become or be deemed to be fraud, in addition to which we will beef up the fraud team that we have. A lot of it will be around intervention and early evaluation to try and spot what could be incorrect or false statements from the start and making sure we tackle that before we find ourselves facing someone who may have defrauded us wittingly or otherwise of £15,000, that sort of sum. As to income support, we do not do them a favour by waiting for a long period of time and things coming back after these people who more generally are of the lower income category.

Mr. K. Keen:

How many people have you got, Richard, doing it now?

Mr. R. Bell:

This was one of the questions made last night. We have about 10 people involved in the compliance team, but they are not just tackling fraud. In actual fact benefit fraud is the junior partner within there. They are predominantly involved in compliance issues relating to contribution matters.

Mr. K. Keen:

I suppose fraud, sort of going to court, and just error detection are on the margins of what ... I mean, presumably you have got, or I know you have got people inspecting employer's returns to make sure people are being declared and all that, and presumably that does generate its own penalties although not necessarily a referral for prosecution and unrecovered contributions. So, just taking the £500,000 that you hope to raise, it will be interesting to know what you are raising now from the 10 people.

Mr. R. Bell:

Again, I have not got that with me, but we can supply that.

Mr. K. Keen:

That is the basis of your ...

Mr. R. Bell:

This business case will be about fraud. It will look at comparables in the U.K. (United Kingdom) where they do a bit more measurement around this, this current case, to see whether we think we can deliver it. We know where the big issues are. The big issues relate within income support. They relate to cohabitation and they relate to false declaration of income. A lot of that income we will have ourselves if it has been declared in the first place through contribution. Those are the areas and cohabitation, in particular, is quite a difficult one to prove and also to disprove.

Mr. P.J.D. Ryan:

I was just wondering whether you have done any formal work on, for instance, the general size of the black economy and people with more than one job and only paying one social security amount.

Mr. R. Bell:

Since I have been here, certainly we have not done a great deal of work on that. Since I have been here, we have more or less been doing income support until the middle of last year. We have not moved into those areas.

Mr. P.J.D. Ryan:

Do you intend to include that in your prediction for 2011?

Mr. R. Bell:

This is concentrating on fraud, but there is another initiative that you will have seen in the Business Plan that talks about a joint fraud office which is a proposal from within the Chief Minister's Department.

Mr. P.J.D. Ryan:

It overlaps with income tax, I thought.

Mr. R. Bell:

Yes, and certainly from what we know in actual fact that data sharing will be the best way of spotting whether there are frauds in the system so one person saying one thing to income tax and a different thing to us. Bringing all the benefits together has allowed us to do that in a way with the contribution, but we do not have a complete picture of the contribution as you would have with income tax. So, yes, we will but that will probably be part of that other initiative that relates to fraud across the board as opposed to fraud within the benefit system.

Deputy T.A. Vallois:

Moving on to another area of social security, can I ask about supplementation? It was £61 million last year supplementation social security, comparing to the report provided by P.A.C. In the 2007 accounts it was said a large proportion, because of the supplementation, was by introducing I.T.I.S. (Income Tax Instalment System) in 2007. In 2008, what have the ongoing problems been?

Mr. R. Bell:

I basically disagreed with the Public Accounts Committee when they said that, but it was they that said it, not me. When we talk about problems with supplementation the supplementation increase from 2007 to 2008 was entirely consistent with, firstly, the growing numbers of people working; secondly, the growing numbers of people of them who were in receipt of supplementation and then the increase in earnings during the period. You have those in, you get to more or less the figures we have got there. Just that high level analysis of how to get from 58.6 in 2007 to 61.8 in 2008.

Senator B.E. Shenton:

Would it be right in assuming then that a lot of the people that we were creating jobs for were earning fairly low wages?

Mr. R. Bell:

You say low wages, the ceiling at the moment is £42,000.

Senator B.E. Shenton:

Below £42,000 basically, so not a lot of the job creation over the last 4 years has been in jobs paying below £42,000?

Mr. R. Bell:

If we are talking 60 per cent, not more than that, of people who were in the economy earning and receive supplementation, which is a benefit by any other means, then whenever the economy grows it is always likely to be the case that supplementation will grow with it a cost to that.

Senator B.E. Shenton:

There is a bit of vicious circle because if the economy is not adding jobs and they are losing jobs, you end up paying out on income support or ... there is no really perfect scenario for you, is there?

Mr. R. Bell:

If they just stay still. You probably have heard this year we did not know which way supplementation was going to go. The previous 3 years have seen big increases in the workforce. I am talking big, hundreds, just short of thousands, over those 3 years. We are then falling into 2009. It takes us until June to figure out what the first quarter is going to be. There are 2 ways in which that could have impacted. Either reduce numbers or to reduce the supplementation bill, some of which filters through to income support, but some of which will result in people just leaving the Island. They lose their job and then they leave the Island, or could it be that you have got pay restraint within the Island, in which case pay restraint would have had the effect of increasing supplementation. Whichever, you are going into recession or into boom times, it is difficult to appreciate which way it is going to go. We think that the effect of job losses has been greater than the effect of pay freeze or pay restraint in the Island today, but that is based on the first quarter. We do not know where that is going to go for latter quarters.

Senator B.E. Shenton:

What is the unemployment figure at the moment?

Mr. R. Bell:

The May figure ...

Senator B.E. Shenton:

Because I know a lot of people that do not sign on exactly.

Mr. R. Bell:

I usually start that with the caveat right at the front that says we only register if ... it only measures those registered. The May figures were in the order of 860, which was slightly down from the March figure, but we have seen since the last couple of months of last year and into the early months of this year a rapid increase in the registered unemployed. Some of that previously was the result of the income support processes, but did not explain the increases in the latter half of the year and into the start of this year which were consistent with what we were expecting in respect of the economy.

Senator A. Breckon:

Can I ask, Richard, on the supplementation it looks like, from the Business Plan and the approved budget, at £61.2 million you have got it spot on. That included a supplementary vote, did it not?

Mr. R. Bell:

Not in 2008. In 2007 we got the supplementary.

Senator A. Breckon:

£3 million or something?

Mr. R. Bell:

Yes, and the reason we needed the supplementary vote, and then we got more money in the 2008 Business Plan, was that the numbers of people in the economy was increasing which had not really been forecast. We are talking about 700,000, 800,000 people coming in, so we needed to rebalance it back to take account of those numbers coming into the economy.

Senator A. Breckon:

Although we are talking about 2008, how difficult, and I think we have had this conversation before, is to predict 2009, 2010 and 2011, from your point of view, on these sort of issues with the economy, with that as a budget?

Mr. R. Bell:

Very difficult. What we have done for 2010 onwards is go with the 3 scenarios that have been used by the Treasury in forecasting where the deficit is going to be for those years. What we have put together is a proposition that will be hoping to get at least presented to the States, which will have effect from 2010, which will give us more certainty as to the cost of supplementation in any one year, at the point at which we are asked to originally forecast 2010, we do not know 2008. It makes predicting it quite difficult. What we are going to change within the law, or what we are going to propose to change within the law, is the cost of the States contribution in 2010 is fixed relative to what we know about 2008 at the time of agreeing the Business Plan so that then, once we have done that for 2010, we will not have to be spending all our time sitting here wondering whether it is going to be up, it is going to be down, and then rushing around at the last minute that we have propositions to the States for more money if it goes the wrong way.

Mr. K. Keen:

Some of your costs are clearly charged directly to the funds themselves and I am just looking at, for example, staff costs. In your analysis you have got staff costs of £5.9 million virtually, but in your income and expenditure you have £2.5 million. I am looking at page 114, staff analysis, how many people, and so you have got £5,875,000 in a little shaded box down towards the middle. On page 119 you have got staff costs of £2,586,000. In the notes you say that some staff are employed by the funds themselves. Are there other costs of the funds? When we are looking at your expenditure we really need to ...

Mr. R. Bell:

This is only part of the picture.

Mr. K. Keen:

This is a very small part of the picture then, is it?

Mr. R. Bell:

Not very small but very big part of the picture, yes, and when we were talking about perhaps presenting to the figures, the expenditure of the department and the whole £318 million ...

Mr. K. Keen:

This includes social security ...

Mr. R. Bell:

Yes, that is social security, Health Insurance Fund and tax funded benefits and services. We collect £845 million of income. When you apply those numbers, it really is a very big department. In terms of the expenditure, you are talking about recharging. Quite often the way it does work is that the fund will run a bank account and then recharges so we pay everything out to the fund and then we recharge it across to the fund in accordance with activity. The income support team is very obviously ...

Mr. K. Keen:

It comes on page 119 sort of thing. But all your employees work for the fund and then you ...

Mr. R. Bell:

They are all employed by the States Employment Board.

Mr. K. Keen:

Sorry, yes, right.

Mr. R. Bell:

We just run one bank account and then recharge on a periodic basis in accordance with activity.

Mr. K. Keen:

If we wanted to take a look at your costs, then we have got to do our little mini consolidation almost.

Mr. R. Bell:

Within these accounts, yes. There are, as Richard is pointing out, in the back of the social security accounts when we issue those, we do some high level figures that you can add up to give the figures for the total spend for the department.

Senator A. Breckon:

That includes the recharge for premises as well, Richard, it does not include maintaining from the fund.

Mr. R. Bell:

On the one hand I am a landlord and on the other hand I am a tenant. I charge rent for that building that is occupied by tax funded services and we now have Careers Jersey within the building and we charge that a rent which gets charged ...

Mr. K. Keen:

Because the building is an investment of the fund effectively?

Mr. R. Bell:

Yes.

Mr. K. Keen:

You may remember this from your days in the Treasury, when the States consolidate up their staff costs to get to their £300-odd million or whatever ... on page 27 the States has got £312 million ...

Mr. R. Bell:

I suspect that will exclude our costs that relate to the fund. I believe the intention is that when we go to

G.A.A.P. (Generally Accepted Accounting Principles) that we will not be ... I might be wrong about that but they are moving debt separately, but then it would be inconsistent with the figures that are in the accounts if they have done so. I understand that within the bounds of G.A.A.P. there is no plan to consolidate the funds into those financial statements.

Mr. K. Keen:

There is not a plan to do that?

Mr. R. Bell:

I do not think there is. I think it is the opposite. I think it has been discussed through with Chris Swinson.

Mr. R. Lang (Finance Director):

Yes, that is correct, yes.

Deputy T.A. Vallois:

With regard to internal controls, how would your department feel that they comply with the financial directions in the year 2008?

Mr. R. Bell:

I asked that question of Richard just yesterday. There are some very clear exceptions where we do not comply and those largely relate to the fact that the financial directions refer to the JD Edwards system. We do not run the JD Edwards systems. We have our own ledger and payment system, Navision, so where it makes specific reference to JD Edwards, we do not, to the letter, comply because we cannot. We make sure we have mitigating controls in place so we are doing whatever we can through Navision and we do, is it monthly or quarterly, mirror our figures on to ...

Mr. R. Lang:

Monthly.

Mr. R. Bell:

Monthly, on to JD Edwards so that those figures can be pulled together if anyone wants to do an aggregate of spend. Lots of the financial directions are rarely used because we do not tend to have significant numbers, for example, of capital projects. Our business primarily, when you look at the figures, you look at State spend, £146 million. Only roughly £7 million of it is not either supplementation or income support. Most of that goes on payments to staff or grants to the likes of the Jersey Employment Trust, J.A.C.S. (Jersey Advisory and Conciliation Service), the Employment Tribunal. Lots of them, although they apply to us, they are not ones we use every year because they do not relate to our business.

Deputy T.A. Vallois:

With regard to management information, if we are using a separate system, how does that work within social security and reporting to the Treasurer who has responsibility for the money?

Mr. R. Bell:

We will mirror our position on to the JD Edwards system so they can take it off there but we will also submit our own reports of spend in accordance with whatever the financial direction says for deadlines to close down your month end and report your figures. We do it that way and then in terms of management information and managing it we have a monthly budget committee, I think it is called, where we review the finances at crunch data time and then we report to the Minister. It is really no different from that perspective. It is just we have got a different system on which we do it.

Mr. K. Keen:

The reason for having the different system, is that historic?

Mr. R. Bell:

Yes, largely. It is integrated with the benefit system so it is the payment system. If it was just about a ledger system, we would be happy to change it but we would be spending a lot of money moving from a system that works for us to JD Edwards just to provide maybe a little bit more financial information. Navision is primarily used for us to make sure payments go out on time and the controls around that and the ability to react as a business because we have full control of that ledger and payment system. It is not part of a bigger system that we would have to maybe ring someone up and make a change to. It is very important that the money goes out when we say it is going to go out and that is why there has been some very good business resistance to moving on to JD Edwards.

Deputy T.A. Vallois:

Sorry if I am being simple here, how does it work then with the move to G.A.A.P.?

Mr. R. Bell:

How does it work with the move to G.A.A.P.?

Deputy T.A. Vallois:

Yes.

Mr. R. Bell:

It will not affect going to G.A.A.P.. We are largely already G.A.A.P. compliant. Our security fund accounts were last year, if not the year before, signed off as G.A.A.P. compliant. There may be some small tinkering we need to do with some figures within income support to meet various reporting standards. Further than that, it would not have an impact.

Senator B.E. Shenton:

On page 118 of the accounts, and this is probably a very simple question, why is childcare allowance a positive expenditure for 2008?

Mr. R. Bell:

Can you tell me that one?

Senator B.E. Shenton:

Have people been coming in and chucking money at you?

Mr. K. Keen:

Saying: "Have you got some children?" [Laughter]

Senator B.E. Shenton:

Take the kids.

Mr. R. Lang:

I suspect that figure is only a legacy benefit, and at the end of the year it would have accrued or under accrued a position. Those figures there are basically one month's payment.

Mr. R. Bell:

We have over accrued in 2007 for that. These were legacy payments. In fact in 2009 we have 8,000 ...

it is a Christmas bonus, a similar thing where we have over accrued. People have not taken up the benefits.

Senator B.E. Shenton:

I see.

Deputy T.A. Vallois:

Can I ask, on page 19 with regards to your income how come it fell by almost £3 million between 2007 and 2008?

Mr. R. Bell:

This related to a decision that came out of the Royal Court, I think it was, relating to fines that had been levied by the Employment Tribunal. The Royal Court decided that the Tribunal did not have the power to make those fines. The Minister at the time, therefore, agreed to reimburse all those who had paid their fines, which is different to all those who had been adjudged against, including interest, so that is why that figure is down. That is where we accounted for it.

Senator B.E. Shenton:

The *States Investment Strategies* paper, which you will no doubt have seen, covers the Social Security Reserve Fund. The asset allocation 80 per cent equity 20 per cent bond, how did you arrive at such an asset allocation?

Mr. R. Bell:

Firstly, just a little footnote, I am not the accounting officer for the Reserve Fund.

Senator B.E. Shenton:

Who is the accounting officer?

Mr. R. Bell:

The Treasurer, and that relates to the fact that in the law the investment strategy is that each strategy is decided upon by the Treasury and Resources Minister and by the law I mean the Social Security Law, which he does in consultation with the Social Security Minister. The investment policy to date is for long term purposes at this point. I presume your question relates to whether we are matching our liabilities with our assets. At this point in time as the fund has grown and, let us argue, is indefinite, the investment policy was decided upon to try for long term growth as opposed to a policy of matching the liabilities and assets. When we come forward, which will be very soon I am hoping, with the latest government actuary report, that may affect that decision. If we were in a position where we started to dip into the fund to meet pension liabilities, that would be advice we pass to the Treasury and may result in a different strategy that might perhaps try to match liabilities and assets.

Senator B.E. Shenton:

Right, because the current arrangement seems rather sort of finger in the ear, rather than arbitrary, this 80/20. The other one is the management fees and so on and so forth with regard to the Fund. Is that down to the Treasury as well?

Mr. R. Bell:

They are responsible for managing, yes. We do take a very obvious interest in those fees and indeed we are at all the investment committees so it is not as if we sit at the malt tree waiting for wisdom. We are involved in those decisions.

Senator B.E. Shenton:

Is it correct that you are trying to exit yourself from some of the legal and general tracker type investments because of concerns over the way they are set up?

Mr. R. Bell:

I am not aware of that.

Senator B.E. Shenton:

No?

Mr. R. Lang:

I know they have talked about the review of the asset allocation and that would include 10 per cent on property. That is something that the committee are currently discussing.

Mr. K. Keen:

I have not understood that. The accounting officer for the fund ...

Mr. R. Bell:

There is nothing in the fund but investments.

Mr. K. Keen:

Expenditure comes out of the fund for the manpower.

Mr. R. Bell:

No, there are 2 funds for the Social Security scheme. There is, firstly, the Social Security Fund, which basically is the ins and outs, and then there is the Reserve Fund, which is basically investments.

Mr. K. Keen:

Which is effectively the portfolio?

Mr. R. Bell:

Yes, and at the moment all flows are coming from the Social Security Fund into the Reserve Fund so when we have got excess cash balances we will transfer them to the Reserve Fund to be invested in accordance with the investment strategy.

Mr. K. Keen:

You are the accounting officer for the Fund, but the Reserve Fund, which is effectively the investment portfolio, the accounting officer for that is the Treasurer?

Mr. R. Bell:

Yes.

Mr. R. Lang:

We prepare the notes for the accounts and they prepare the actual figures.

The Connétable of St. Peter:

Just picking up on the fees, coming back to that one, given the Royal Court has now determined that the Employment Tribunal does not have jurisdiction to levy fines, how are you metering out sanctions now for breaches of the employment laws?

Mr. R. Bell:

Who is handing out sanctions?

The Connétable of St. Peter:

How are you handing out sanctions?

Mr. R. Bell:

We have never been involved in handing out sanctions. The sanctions should be levied if they are applicable ... let us say there are 2 sorts of sanctions here. Firstly, there is reimbursement of any amounts that the Tribunal deems to be appropriate within the law and those are exercised by the Tribunal. Any decision to prosecute anybody resulting in a fine lead with the decision made by the Attorney General to take someone through to the Royal Court and it will be the Royal Court's decision.

The Connétable of St. Peter:

Is that a change as adopted by the Royal Court judgment?

Mr. R. Bell:

My understanding is that that is what the law has always said. It is not really what was intended. It was intended to have limited fine making powers within the Tribunal but the law is clear, which is what the Royal Court has judged upon. It says that should only be taking place in the Royal Court and not in the Tribunal.

The Connétable of St. Peter:

Has any action taken place so far?

Mr. R. Bell:

Any action since that finding?

The Connétable of St. Peter:

Yes.

Mr. R. Bell:

I am not aware that any have been and the Tribunal is very aware that it does not have any powers in that respect. It is chaired by the lawyers and advocates and we rely upon them to undertake their duties in accordance with the law.

The Connétable of St. Peter:

So really at the moment is it almost an open field for employers to run the lights, shall we say?

Mr. R. Bell:

I do not think so because there are more than the fines and more often than not it is the award for having breached the law that is the penalty, if you like, on top of which it is generally a public forum and is often reported upon by the *Jersey Evening Post* or the press otherwise. There are reputational matters to consider.

The Connétable of St. Peter:

Having said that, do you have any cases, historical cases, where you have the same employer coming before the Tribunal on repeated occurrences?

Mr. R. Bell:

The general feeling is that employers tend to learn the lesson if they feel there was a lesson to be learnt. Some employers will feel that they have not agreed with the finding.

The Connétable of St. Peter:

You see them again?

Mr. R. Bell:

I do not think ...

Mr. K. Keen:

If I can say, I agree with Richard, I mean the reputational risk and the potential damages are considerable and I do not think anybody wants to end up back in the Tribunal whether they agree with the decision or not. I mean, it is not a place anybody wants to go so I would be very surprised, Richard can probably check, but I would be very surprised if there are many repeat appearances.

Mr. R. Bell:

There is a great deal of time invested by employers in just going through the process in any case, not even if you hire lawyers, but regular management time is taken up in fighting those cases. It is a real cost to the business. It is not just the wages that they should have paid, it is not just any of the awards that will go out for having broken the provisions, it is the time it takes you to go through the process.

The Connétable of St. Peter:

I am just sort of aware that in the current sort of climate it may seem an advantage to hire enough Island labour under the radar and I think there is potential for that to become an issue.

Mr. R. Bell:

There is potential for that and also it could stand up to be legal. In some instances, more from a social security perspective than an employment law perspective or people being brought in who were having social security but their contract is in a different country. If their social security is being paid in a different country, they are not registered with us. We found out a couple of years. We go on a big site where there was an incident and people presented themselves and we had never heard of them, but when we investigated it further it was all within the bounds of the law.

Senator A. Breckon:

Can I come back, Richard, to something under income support and that is from 2007, 2008? There were groupings of non native welfare and native welfare and residential care and now it is all under the nearly £77 million. Have you any idea how much is paid in residential care for how many people and following from that, what the plans are?

Mr. R. Bell:

The figure was £12.8 million in 2008.

Senator A. Breckon:

Do you have numbers on that? How many people?

Mr. R. Lang:

In total there is around 800 residential care beds and 200 that are nursing beds in Health.

Senator A. Breckon:

That is beds but how many are you funding?

Mr. R. Bell:

How do you mean, in terms of the beds?

Senator A. Breckon:

Obviously we are not funding a thousand beds. Some people would self fund or they would have their own schemes.

Mr. R. Bell:

Yes, I think we were talking about 400, 450 because there are the private beds obviously within that as well.

Senator A. Breckon:

Is there service level agreements in place for that work provided? What they will provide for, a sum of money?

Mr. R. Bell:

No, there is not, but we are working towards a service level agreement contract with the parties.

Senator A. Breckon:

What is the sort of prediction of how that is going to move? How many more people are we funding and are there any plans to do other things perhaps?

Mr. R. Bell:

You will be well aware we are on the cusp of 2 different directions here at this point. We did not originally incorporate into legislation and regulations the leasing, if you like, of the residential care in the way that we do for the rest of the benefit. That is a piece of work that is on track to deliver at the same time. Almost parallel to that will be the piece of work on long term care, in particular how we fund it going forward. The States, for the last few years, have given the department an extra £1.5 million to take care of demographic growth. There is some suggestion that some of that has gone on higher fees. Previously we tied homes down to rates that we would only increase by the amount that we had been given for book rating and then, therefore, the demographic money is there for that but eventually that will lead to quite a burden which is where we come to the long term care scheme and all the decisions there which say will it be an insurance scheme, will we follow one of the options laid down by the U.K. or Guernsey, will we continue with the group situation.

Senator A. Breckon:

But the provision comes under Health. I mean they are the regulator for services or ...

Mr. R. Bell:

Yes, they have a regulatory arm that will go and visit the homes and we will not pay it to people who are not registered.

Senator A. Breckon:

So you seek the provision and they are the regulator of it in that respect?

Mr. R. Bell:

Yes, there will also be the commissioner in some ways, in that people will come out of the hospital needing care and also that nursing care is treated differently to residential care. There are universal rights to nursing care, means-tested rights to residential care.

Senator A. Breckon:

Is there official work being done on the predictions of what might happen in the next 3, 4, 5 years?

Mr. R. Bell:

I think we have got an extra £1.5 million for 2010 and 2011 but at 2012 we have not got it in there at the moment, so what we will want to do now is build upon what we have got in terms of data, even though it will only be 2 years, to try and see if we can extrapolate from that and look at the pressures that are coming in the U.K. to come up with a better figure for 2012. It may be that we will have the long term care scheme in 2012 or the fore end of 2013.

Deputy T.A. Vallois:

Can I ask, Richard, with regards to page 118, 2008 was the beginning of the implementation for income support.

Mr. R. Bell:

Yes.

Deputy T.A. Vallois:

Now 2007 shows the figures broken down under the income support benefit.

Mr. R. Bell:

Yes.

Deputy T.A. Vallois:

Can you explain how that has been done if they were not there?

Mr. R. Bell:

If you are looking on the right hand side, they were the costs in 2007 of those benefits. We just call it income support just for ... not all of that spend. It did not take account of everything that happened because it excludes housing, for example. Those were just areas of spend that we were responsible for. We were responsible for all the ones on there. The most notable ones are ... even though the Parish administered it, we paid over to the Parish the funds for Parish welfare and residential care. It would have appeared in their accounts and our accounts but they would have got the income that matches that up.

Deputy T.A. Vallois:

They have all reduced ...

Mr. R. Bell:

They have.

Deputy T.A. Vallois:

... going over to 2008. I take it the different money from those would be under the income support implementation transition benefit area.

Mr. R. Bell:

Yes.

Deputy T.A. Vallois:

With an additional £40 million on top of that.

Mr. R. Bell:

Not far off, yes.

Deputy T.A. Vallois:

How does the breakdown with regard to the actual income support implementation transition benefit ... I mean it is the case now ... if I asked, for example, now we have implemented income support, does that mean we can take £40 million away from ... because that is the way it reads to me.

Mr. R. Bell:

All right. No, because, for example, housing was added into income support but does not appear on the right hand side.

Deputy T.A. Vallois:

That is the rent rebate and the abatement.

Mr. R. Bell:

We will take a punt now but if we went to the housing page I am hoping on the right hand side it says whatever they spent that year. Everyone is quickly going to figure out whether it does.

Deputy T.A. Vallois:

£24 million it was, rent rebate and abatement.

Mr. R. Lang:

The other addition to that would be transition, so you are going to get £24 million housing, £9 million transition.

Mr. R. Bell:

And then there was the uprating in 2010.

Mr. R. Lang:

There is uprating as well, yes.

Senator B.E. Shenton:

Just changing the subject very slightly. Jersey's pensions, they are linked to the average earnings index, are they not?

Mr. R. Bell:

Yes.

Senator B.E. Shenton:

When does that come out? Which one are they linked to?

Mr. R. Bell:

It comes out in August.

Senator B.E. Shenton:

It comes out in August so that is likely to be fairly flat one would assume.

Mr. R. Bell:

I would probably agree there, yes.

Senator B.E. Shenton:

What about income support payments? What are they linked to on an annual basis?

Mr. R. Bell:

They are not linked formally. It is generally the case through the Council of Ministers that they will go with the forecast of the mid point at the time you meet in the Business Plan.

Senator B.E. Shenton:

The mid point between?

Mr. R. Bell:

Sorry, mid point R.P.I. (Retail Price Index) and average earnings.

Mr. K. Keen:

R.P.I.X. (Retail Price Index excluding mortgage repayments) which is a real number is 2.8, is it not? So this is going to be a ... because if you are on income support.

Senator B.E. Shenton:

It is R.P.I.X. or R.P.I.? It is R.P.I., is it not?

Mr. R. Bell:

I am struggling to recall which one it is now. We had a lot of debate. It may even be the low income one.

Mr. K. Keen:

Yes, which is just more or less the 2.8.

Senator B.E. Shenton:

It is the mid point between average earnings and low income R.P.I., is it?

Mr. K. Keen:

Could I ask just a couple of quick ones? On page 119 you had a budget for administrative costs of £907,000 and you spent £1.3 million last year.

Mr. R. Bell:

Where am I, sorry?

Mr. K. Keen:

Yes, just on page 119. You had a budget for £907,000. You spent £465,000.

Mr. R. Bell:

Yes.

Mr. K. Keen:

You only spent last ... is that effectively a saving or is that a cost deferred?

Mr. R. Bell:

It is effectively - correct me if I go wrong, Richard - that the figure on the right hand side which is much higher related to what we were paying out Parishes to administer the various Parish welfare, residential care and suchlike. We budgeted for £900,000. For 2008, it came at £465,000. There is a saving there. We do, however, need some more resource within the administrative function so I expect it to grow from the £465,000 but it did assist our under spend on income support in the year.

Mr. K. Keen:

A second quick one. Do you believe that there is any scope to save the taxpayer money by combining

the collection of social security contribution and I.T.I.S. contributions?

Mr. R. Bell:

It is a question we keep ruminating on. Certainly with I.T.I.S. there is scope for greater efficiency. That being said, over time there are a number of different ways that have cropped up by which businesses pay social security contributions. There is the facility for everyone to use that one disk which may cut down, but not everyone chooses to use that disk and choose to use their own specific means by which they have done so in the past. If we were to talk ... let us just pick a Social Security bit up and drop it into Income Tax - just take the 2 and separate them - there would be a great deal of work to be done on that and I am not sure it would result in large numbers of staff savings, for example, and most of the spend that we have on collection of contributions relates to staff. In addition to which, you will have to make sure you track all the contributions into the benefit system. There are efficiencies that can be made but they would cost a good deal of money to implement. Whether it is worth the candle is a point that we would have to go through. We are on 2 different systems. The staff you would still need in the Income Tax Department if you moved them across because you would still have a separate tax stream to deliver. Unless you were to go all the way back to basics when we go through the Social Security Law and start to somehow change those provisions such that they were more in line with the ...

Mr. K. Keen:

In the U.K., is it not the case that national insurance and P.A.Y.E. (Pay As You Earn) are almost collected together sort of thing?

Mr. R. Bell:

There is the collection - the physical collection - but there is also the application and administrative tasks that go with not just collecting it but making sure that people's benefit records are up to date. That is a great part of our administrative task in the collection. It is not the direct getting the money in. It is making sure the right information is going next to someone's benefit record so when they become a pensioner they get what is due to them.

Senator A. Breckon:

Can I ask you a question, Richard, on the collection of the money because we used to have a system where in effect employers used to self assess where you would look at the quarter and submit the money with a return. Now we submit returns and then a month later we get an account and then we do that. That must cost time and money to do that. The fact is if you owe me £1,000 I would rather have it when you sent me the letter rather than me send you a letter to remind you of that. Is there any move to change that?

Mr. R. Bell:

I think at least one of the 3 of us would be putting that forward within the review of the law when we do it to revisit that. I understand that the reasons were at the time that it was creating a bit of an administrative nightmare going backwards and forwards with overs and unders. That was the reasoning for that system.

Senator A. Breckon:

You would have the bulk of the money though, would you not?

Mr. R. Bell:

We would, yes, and that happens in the U.K.

Mr. K. Keen:

I did not realise it had changed. It seems mad that you would allow that to ... that you do not get the

cash upfront.

Senator A. Breckon:

Now fill a form and sign it in to say that this is what it is and then 6 weeks later get a bill saying can we have the money now where in effect by a couple of weeks into the next quarter you can do the return and send it in.

Mr. P. Harzo (Acting Income Support Director):

Administratively it was a huge overhead the other way.

Senator A. Breckon:

It was?

Mr. P. Harzo:

The current process is a lot quicker. I think all you are doing is moving ... when you get your money a few weeks back, but then you get used to getting that money at that time, 4 weeks later than 4 weeks earlier. But you are still getting then your money at 4 times a year. But administratively what we used to have is employers would self assess, they would make a return, we would process, tell them that they are wrong then spend hours arguing with them rather than just collecting it and sending a bill.

Senator A. Breckon:

Yes, so one defeated the other.

Mr. K. Keen:

It is the opposite to your colleagues in income tax though, is it not, and it seems to be the opposite to the way everything is going and it must expose you to more bad debts as well really where you have that duration between collecting employees' and employers' contributions and receiving them.

Mr. R. Bell:

It is more complex than income tax, in that one of the largest areas where you will have it going wrong is that when people have been off sick during the quarter there is an effect on the contributions they should be paying. That is one of the largest areas where that takes place. I am not going to argue with you. I think it is something we need to look at when we go through the review of the law; to look at whether we do change the process. But we will also be probably looking at quite a lot more than the process on contributions. There can also be some work there on how much people pay.

Mr. R. Lang:

Whether or not we do the reconciliation at the end of the year which again would obviously save some of the administration journey but obviously create a lot at the end of the year. Just do it once.

Senator B.E. Shenton:

I cannot remember the name of the fund. The fund with £60 million in that we dipped into for free prescriptions. What is that?

Mr. R. Bell:

The Health Insurance Fund.

Senator B.E. Shenton:

The Health Insurance Fund. That money is sort of sitting there. Loads of people want to spend it. What is the long term idea behind that fund because as it stands the money will never get spent unless somebody happens to change the basis of the fund?

Mr. R. Bell:

The law that governs the fund is - it is 1967 - 42 years old. It pays for, as you know, prescriptions and a rebate to the individual who attends the G.P. (General Practitioner) surgery which you sign for, therefore, the doctor receives it. The New Directions policy looked at or was to look at or will look at changing the basis upon which we use those funds for G.P. costs. It puts forward options related to packages of care as opposed to a fee paid at consultation. That piece of work is ongoing. That will determine the future direction. Either it will or we will have to do some work ourselves on future direction. We are doing some work now on costing governance for G.P.s to look whether that would be a cost suitable to be spent from within the fund.

Senator B.E. Shenton:

Are you looking at free prescriptions to see whether that has been abused because you do hear stories of people being prescribed aspirin through the pharmacy that is owned by the doctor and so on and so forth?

Mr. R. Bell:

You hear the stories, yes. We have done some analysis which we will be taking to the Minister because the Minister wants us to review the decision; free prescriptions. That is train.

Senator B.E. Shenton:

Even with the free prescriptions, is the fund still growing positively?

Mr. R. Bell:

It is at the moment but going forward with an ageing population, it very quickly starts to go into deficit.

Senator B.E. Shenton:

I could not find it in the annual report.

Mr. R. Bell:

That is because the Health Insurance Fund is not in here.

Mr. K. Keen:

That is the thing. You really ...

Deputy T.A. Vallois:

May I ask why?

Mr. R. Bell:

Why? It goes back to what Kevin was talking about earlier. The Health Insurance Fund and the Social Security Fund are not within tax funded services. They are funded from contributions which the department receives. The accounts for those are imminent. We just ...

Senator B.E. Shenton:

So the expenditure from those funds does not count as total government spending, does it?

Mr. K. Keen:

Is not.

Mr. R. Bell:

Is not.

Senator B.E. Shenton:

Is not. That is what I mean, yes.

Mr. R. Bell:

You imagine it as ring-fenced. The money is like a solicitor's client account.

Deputy T.A. Vallois:

But still surely it should be shown as part of the departments because you will be receiving the contributions in. Surely it should show as part of the departments' monies?

Mr. R. Lang:

That goes back to whether or not we want consolidated accounts in the States or not. At the moment, as Richard said, that is not the intention to consolidate them as part of the States accounts.

Mr. K. Keen:

It was a structure I had some time to get my head around because I would have always expected that all the people that administered, whichever fund it was, would have worked for the States and the expenditure to administer the fund would be completely outside of the funds themselves, if you know what I mean. Personally, I was surprised to know that the building was an investment of the fund. It seemed a strange thing. But talking about the fund and talking about the States trying to be aware of all their liabilities. If the Social Security pension scheme was a defined benefit pension scheme, which it more or less is, and you did have to consolidate it and you then had to calculate its deficit, have you any idea what it would be?

Mr. R. Bell:

No. [Laughter]

Mr. K. Keen:

It would be enormous though, would it not?

Senator B.E. Shenton:

Nervous looks all round.

Mr. P. Harzo:

There are a lot of ifs in your sentence.

Senator B.E. Shenton:

The Health Insurance Fund, it is around £60 million, is it not?

Mr. R. Lang:

£72 million at the end of December 2008.

Senator B.E. Shenton:

£72 million, is it? Who is responsible for the investment strategy for that fund?

Mr. R. Bell:

That lies with the Social Security Minister.

Senator B.E. Shenton:

Not with the Treasurer of the States?

Mr. R. Bell:

No.

Senator B.E. Shenton:

How is it invested at the moment?

Mr. R. Bell:

At this point it is invested by ourselves in cash.

Senator B.E. Shenton:

I was dreading you would say that. It is on cash earning massive rates of interest?

Mr. R. Bell:

We will be looking to consider ... well, 2 things. I think the investment strategy talks about a Collective Investment Fund. We would like a ... the issue with the fund has been it has never been big enough to almost wash its face for investment fees and suchlike. It would be quite hard for a small fund.

Senator B.E. Shenton:

What, £72 million?

Mr. R. Bell:

Yes, it is £72 million now. It has grown quite rapidly in the last 3 to 4.

Mr. K. Keen:

We get a lot of calls.

Senator B.E. Shenton:

I can see a good headline, £72 million that is not enough to bother with.

Mr. R. Bell:

Long term would be for it to be involved in the Collective Investment Fund product so we could share in that. We are looking at the moment to put it into ... was it England?

Mr. R. Lang:

Royal Asset Management.

Mr. P. Harzo:

So you have taken some advice there.

Mr. R. Lang:

It has been returning surpluses around about £10 million but this year because of obviously ... this is the fund as a whole and the cost of the fund ... we are looking at £5 million because obviously bank interest has taken a hit. There are obviously brief ... the prescription charges to add to that.

Mr. R. Bell:

We have not lost any money in the last credit crunch; on the value of it.

Senator B.E. Shenton:

Not on that fund you have not. On the other funds you have lost a few bob, have you not, but ...

Mr. K. Keen:

The Strategic Reserve is £36 million down, is it not, on equities?

Senator B.E. Shenton:

Why is this one in the Minister ...

Mr. R. Bell:

Just the way the law is.

Senator B.E. Shenton:

Just the way the law is. Is there any fund that the Minister of Social Security is responsible for or just this?

Mr. R. Bell:

Just this. Social Security Fund.

Senator B.E. Shenton:

Sorry?

Mr. R. Bell:

The Minister is responsible for the Reserve Fund and the Social Security Fund. It is just that quirk within the law that talks about the investments being the responsibility of the Treasury and Resources Minister places the majority of the stewardship of that fund with the Treasury and Resources Department. If we were to start winding it down, I am sure the balance might move slightly the other way and it might all of a sudden become my accounting officer responsibility.

Senator B.E. Shenton:

It is funded by the public of the Island, is it not, through social security?

Mr. R. Bell:

They have contributed, yes.

Senator B.E. Shenton:

So it is a fund doing nothing, earning no interest. You could reasonably ... I mean if you work back on the basis of no taxation unless it can be justified, you could reduce social security. This may be a political question but you ... I am just thinking this through, your taking social security off people and just doing nothing with it.

Mr. R. Bell:

You could certainly take a holiday but you could not do it permanently. It would very quickly disappear.

Mr. K. Keen:

That is thing, Chairman, for the Island is with this demographic, and we are not accounting for our liabilities, because I am paying into the Social Security Fund expecting that my money is going somewhere so that I can draw a pension. But the reality is that is not the case. What is happening is I am hoping that my daughter and your daughter are going to be paying for my pension. In the corporate world that liability would be booked. I think you politicians tend to take the view what we will do is we will just add more young people rather than properly funding these promises that you are making.

Senator B.E. Shenton:

But you have got to bear in mind the idea of a proposition lodged ... dealing with the 82 year liabilities.

Mr. K. Keen:

Yes, Chairman. But the bigger one is the Social Security Fund, is it not? I know governments do not ... we are lucky that we are partly funded but the reality is perhaps we could have been more fully funded than we are. Contributions are probably going to have to go up and they should go up.

Mr. R. Bell:

The issue with this is when you start the scheme, do you have to put enough money up for it to wash its face at that point of time then you are having to put a lot of money upfront to make the fund pay.

Mr. K. Keen:

But as long as the people know what they have got. That the Island is aware that it has probably got a couple of billion liability if not more to pay the pensions for people who are paying now.

Senator B.E. Shenton:

I am sure when my proposition comes to the States, the States will stand up and say we cannot afford it because that is the truth. Sorry, we went a bit political there. I have not got any more questions. Tracey? No?

The Connétable of St. Peter:

The only last real question. What other funds have we got that are not shown in these accounts?

Mr. R. Bell:

The full list of funds are in the administration. That is not ... for the department? It is just the Social Security Health Insurance Fund and the Social Security Reserve Fund. That is it.

The Connétable of St. Peter:

The Social Security Reserve Fund, is that shown in here?

Mr. R. Bell:

No, there will be a separate document that will be published in the not too distant future which will show the Reserve Fund and ...

The Connétable of St. Peter:

The public expectation will show that will ... the activity in the States for this year is not correct because there are things missing from it.

Mr. R. Bell:

There are things beyond Social Security missing from it, I dare say.

Mr. K. Keen:

Yes, the Compensation Fund is not in there, John. What is the other one?

The Connétable of St. Peter:

It would be fair to say this is not a comprehensive document then, is it?

Mr. R. Bell:

No.

Senator B.E. Shenton:

No. At least someone once said to me it was written by someone who does not want you to know what is going on.

Mr. R. Bell:

Yes, I heard that conversation.

Senator B.E. Shenton:

Sorry, Alan? Kevin? Thank you very much. Have you got anything that you want to add?

Mr. R. Bell:

No. Thank you.

Senator B.E. Shenton:

Thank you very much.