

STATES OF JERSEY

OFFICIAL REPORT

WEDNESDAY, 8th JUNE 2011

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[9:30]

The Roll was called and the Dean led the Assembly in Prayer.

PUBLIC BUSINESS resumption

1. Pension age: increase (P.58/2011)

The Deputy Bailiff:

The Assembly now moves to P.58 - Pension Age Increase- lodged by the Minister for Social Security, and I ask the Greffier to read the proposition.

The Deputy Greffier of the Sates:

The States are asked to decide whether they are of opinion (a) to agree (i) that the pensionable age should increase from 65 to 67 by 2031; (ii) that increases in the pensionable age should begin on 1st January 2020; (iii) that the pensionable age should increase by 2 months a year from 1st January 2020; (b) to agree that the number of contribution years (including credited contributions) required for a full pension should increase from 45 to 47 over the time period set out in (a) above; (c) to request the Minister for Social Security to bring forward legislation to give effect to the proposals outlined in (a) and (b) above as soon as possible.

1.1 Deputy I.J. Gorst of St. Clement (The Minister for Social Security):

For approaching 60 years Jersey Social Security Pension has provided Islanders with a secure foundation for retirement. We should be proud of our pension system. It has the virtue of being relatively simple and straightforward and, let us not forget, it pays out weekly sums that are higher than many other jurisdictions while being funded by much lower contribution rates. We pay Jersey Old Age Pensions of £133 million a year, and that is in 2010. My aim has always been to ensure financial security and decent old age pensions for all in retirement. Hence my commitment to maintain the link to earnings when determining the annual increase in the Social Security Pension. The U.K. (United Kingdom) as well has now restored this link, recognising the value of its pension has been eroded by the link to R.P.I. (Retail Price Index). But the financial sustainability of all pension funds is challenged by a series of developments that can be attributed to the effects of an ageing population. In summary, it is coming under financial pressure from the combination of an ageing population, increasing life expectancy and a decline in the proportion of working people in the population. Over the last 60 years improved living conditions and developments in health care have increased our life expectancy considerably. We are generally living longer, healthier lives. As a consequence, more of us are receiving pensions for many more years than when they were first introduced. A few figures illustrate this. In 1951 a man reaching 65 could expect to live on average for another 12.1 years to the age of 77. His grandson reaching 65 in 2010 could expect to live for another 21.5 years to the age of 86.5. So people are on average living longer, with the result for example that by 2030 the number of Islanders over 80 will have more than doubled compared with that number in 2010. Of course, this demographic adjustment - and that is how it is referred to by the experts - is on the one hand a cause for celebration; on the other, it creates challenges, not least the funding pressures created by the greater number of pensioners receiving a pension and for much longer than originally envisaged, and despite the incredible increases in life expectancy, pension ages have remained static. The situation we find ourselves in is one that we share with many developed countries, but this does not make it any less serious. It is, of course, made more acute by the fact that at the same time as the number of pensioners is increasing there is an expected fall in the number of people of working age: 4,000 fewer in 2030 compared to last year. Soon the amount of money contributed into the Pension Fund in a year will be less than the sum being taken out to pay pensions, other benefits and associated costs. This matters because the contribution income received in a particular year covers the pensions and benefits paid out in that year. Fewer contributors at a time when the calls on the fund are increasing means that the contributory burden on working age people who pay into the fund now and in the future - that is our

children and their children - risks becoming unsustainable. The scale of this imbalance is best illustrated by reference to something that we call the pensioner/support ratio. In 2010 there were 4 people of working age for every pensioner. By 2030 this is predicted to have nearly halved to 2.2, and by 2035 to have declined further to 1.9. As recently as 2005 that ratio was 4.4 to 1. Put simply, many of us are living longer; the amount of money being paid out of the Social Security Fund will soon be greater than the contributions coming in. If we do nothing, the combination of many more pensioners and fewer contributors means that ultimately the reserve that we have prudently built up will run out in the late 2030s. Of course, at this point it is worth mentioning that the impact of these demographic changes on pension funding was acknowledged by the States some years ago when contribution rates were raised above the required pay-as-you-go rate. These actions, raising contribution rates by half a percentage point in each year from 1998 to 2002 has helped us to build-up that substantial buffer fund. But the demographic challenge is of such magnitude that further action needs to be planned now to ensure that the fund can pay all our pensions in the future. The earlier we take action, the less painful that action will be. Of course this situation is not unique to Jersey. Many countries across the developed world are facing the same challenges, as I have said, and a number are already putting measures in place to tackle it, not least the United Kingdom and our sister isle. So I hope that I have defined the challenge, and I reiterate it simply: more money will be paid out of the fund than will be going in, and this is not a healthy situation to be in. The question arising is, what am I proposing that we do about it? I am proposing to link increases in pension age to increases in longevity, so that the pension age will increase as people on average live longer. Of course there has been, and there was, much speculation that I was going to propose an increase to 68, and on a much quicker timescale. However, under these proposals I am only proposing a move up from the current pension age of 65 to 66 by 2025, and 67 by 2031. In other words, the pension age will increase by 2 months a year. The first of these increases will not take place until 2020. Pensions are a long term issue and this phased approach gives those affected time to adjust their working arrangements and review their retirement plans. Anyone born before 1st January 1955 who is aged 57 or older at the end of 2011 will not be affected at all by the proposed changes. As befits the long-term nature of planning for retirement I have sought to adopt a measured, affordable and fair approach. Extending the pension age will help the long-term viability of the pension fund by increasing the value of contributions; people will be contributing for longer; and decreasing the cost of benefits because on average, if a pension age has not been increased people would have been in receipt of a pension for longer. I am sure Members will be reassured to know that I have not just picked these proposals from thin air. There is a logic to the changes. As I touched on, I am proposing to link pension age to post-pension age life expectancy. This is increasing by around a year in every decade. My intention is that going forward the number of years for which people can expect to receive the Social Security Pension will be the same as enjoyed by those who reached pension age last year in 2010. I realise that figures in speeches, particularly delivered by accountants, can be problematic, but if I may be permitted to mention a few simply to make my point. In 2010, life expectancy for men reaching 65, as I said earlier, in 2010 was 21.5 years.

[9:45]

By 2031 this is expected to increase to 23.6 years. For women the equivalent figures were 24 and 26.1 years respectively. So it can be seen that over the 2 decades longevity is expected to improve by 2 years. As I am not proposing any move before 2010 the intention is to make up the 2 years in the period between 2020 and 2031. So somebody qualifying for their pension in 2031 at age 67 will receive their pension for around the same number of years, i.e., 21.5 years, as if they had retired at 65 in 2010. Increases in life expectancy are forecast to continue and this should be reviewed again in 2020. I wish that I could tell you that raising the pension age will solve all the funding challenges we are facing. Unfortunately I cannot. Nevertheless this does not diminish the importance of the pension age measures I am proposing. The situation is such that it is inevitable that contribution rates will also have to increase in future to replenish the Social Security Fund.

However, my proposals on pension age will reduce the future contributions' burden on those of working age when compared with a static pension age that fails to reflect the increases in life expectancy. The summary information I have distributed to Members illustrates this and also shows the impact on the taxpayer of supplementing those higher contributions. This cost is often overlooked, but as the table shows, increasing the pension age will also save millions of pounds a year in supplementation by 2036. Moves that reduce the predicted increase in expenditure on pensions from the £133 million that I talked about at the start, now to the predicted £229 million in 2036 if the pension age remains unchanged surely must be welcome. Some people have commented that the savings from increasing the pension age are negligible. This to me seems a strange way to describe savings running into millions of pounds a year. It is precisely because I have taken a balanced approach that these savings are not higher. If I had proposed a quicker move to a higher pension age, for example 70, then of course the savings would have been much greater. But people would then have had much less notice of the changes; they would have been working for much longer, and would have had less time in retirement than those reaching 65 in 2010 as pension age would have risen faster than predicted increases in longevity. Ultimately, I have sought a sensible compromise between rises in the pension age and rises in contribution rates. Increasing the pension age will help share the costs of an ageing population between generations, so that the burden, especially through increased contributions, is not borne exclusively by our children and grandchildren. With contribution increases already in the pipeline to fund long-term care, and as part of the F.S.R. (Fiscal Strategy Review), any lessening of the burden must be welcomed by hardworking members of our community. But of course, increasing the pension age is not just about funding issues. Over the last 60 years there has been a seismic shift in the balance between the proportion of life spent in work and retirement. Now up to a third of adult life could be spent in retirement, compared to around a fifth in 1951. I am keen that we draw on the experience, skills and knowledge of older people who have significant contribution to make to Jersey's economy. Such a move is part of a broader picture of encouraging local people to remain in the workforce for longer to maximise economic activity and to minimise the need for increased migration. However this requires a sustainable response that needs a fundamental culture change in our society that reflects new expectations of individuals and communities in a changing society. Today it appears that when people reach a certain age we are, in effect, writing them off. It is as though they have reached their sell-by date. Instead, I want to give people control over their choices of work and retirement. We must not make the mistake that pension age is the same as retirement age. We need to help people to work for longer. This requires labour market policies that support older people in returning to the workplace while also acting to overcome cultural, regulatory and institutional barriers that restrict the opportunities for older people to work. At the moment the environment is not conducive to encouraging them to carry on working if they wish to. I suspect that there are many people who would like to work for longer, albeit in a part-time role, while drawing or deferring their pension, and faced by the prospect of a shrinking working-age population, the contribution of these older workers is key to the future success of Jersey's economy. A failure to facilitate people working longer may well lead to greater reliance on imported labour, with the associated pressures on infrastructure that this can create. So with more of us enjoying longer, healthier lives, a cornerstone of these pension age proposals is an acknowledgement that people need to be encouraged to extend their working lives. Some have even commented that effectively we are paying people not to work. It is not just about contributing to the economic success of the Island, but about making individuals themselves more financially secure so they can enjoy a more independent, active and fulfilling retirement. In the period before pension ages are adjusted we will have time to examine the specific barriers to people working longer in Jersey. Employers need to be convinced of the economic benefits that can be gained by retaining and recruiting older workers. Tax breaks and flexible working arrangements, for example, should be considered as ways of encouraging people to work beyond pension age. Of course I am aware that concerns have been expressed that some people may face the prospect of working longer even though they are not fit to do so. Whatever age is chosen for the State Pension age, there will

always be some people who experience health problems and who cannot work in their current job up to that age, be it those engaged in heavy manual work or a teacher suffering from stress. However, I can offer reassurance that there are already benefits in place that take into account an inability to work. Of course there is long-term incapacity allowance and incapacity pension. These will be reviewed well before 2020 to ensure that they continue and are fit for purpose. This will ensure that the small minority of working age people with significant health problems receive practical assistance to identify appropriate employment as well as financial assistance where necessary. Those on low incomes would also have access to income support. It has to be remembered that employment patterns are changing and many workers will undertake a variety of different jobs during their working lives. Therefore people will also be supported to take on part-time employment or retrain in a different area. Even those currently engaged in heavy manual work who do not make up a large proportion of our resident Jersey workforce often end their working lives in supervisory, driving or office-based roles. Opportunities exist to develop flexible working arrangements that will benefit all groups, but in particular those looking to continue working for longer, but for fewer hours a week, for example. I also want to tackle head-on the concerns that have been expressed that by encouraging older people to work we will be denying job opportunities for the younger generation. At the moment we are indeed striving to find jobs for our young people, but in the decades to come this will not be the case. The same demographics that are creating an ageing population also result in fewer people of working age; so much so that older workers will have an important role in limiting the need for further inward migration, as I have already said. In fact, it is in part to help alleviate the potential contribution burdens on these very same young people that I am proposing these changes to pension age. No change would mean that at a time when they are facing perhaps the greatest financial pressures, they would be paying even greater social security contributions. I have also heard criticisms that I am proposing this move without consulting the public. This is not correct. For the last 3 years my department has suggested a number of questions on pension age that have appeared in the Jersey Annual Social Survey. This survey goes to around 3,200 households selected at random. The latest one was in June and July last year. The response from the public was extremely high, and that is as analysed by the Statistics Unit in their own words, with over 51 per cent of sampled households completing and returning the forms. The Imagine Jersey 2035 consultation held in 2007 and 2008 included a deliberative public conference that explored the issues surrounding the ageing society; working longer was one of the principle issues focused on. The overriding message from the consultation was one of reluctant acceptance that some difficult adjustments will be necessary in the future. I think that that sums up the attitude of many people. They are not keen to see pension age increased, but they understand why it needs to happen. They know that other countries are tackling the issue and realise that we too have to act now. Inactivity on our part will only make the challenges we face harder to overcome in the future, and without restoring the balance between working life and retirement, we place an unrealistic burden on future generations. They will bear the cost of pensioners living up to twice as long in retirement as their predecessors did when the pension scheme was first started. So often the States is criticised for a lack of vision and for not taking difficult decisions. Today we have to be realistic and I do not believe we can shirk our responsibilities. It is no good hoping for the best. There has to be a rethink about retirement. As one commentator described it: "Retirement needs to be seen as a journey, not a destination." I hope Members will agree that the measures I am proposing represent a long-term solution to the demographic challenges presented to our Pension Fund. Changes need to be fair, particularly across the generations. In future we will have to address other important issues including pension provision generally; for example, encouraging people to make greater provision for their retirement; but first of all we have to get the underpinning Social Security Pension right. Changing the pension age provides a firm foundation for the future. We need a pension system that can keep up with and reflect changes in society, and a rise in pension age is a logical move if we are to create a pension system that is both affordable and sustainable in the long-term and which retains the confidence of the Jersey population, both young and old, current and future generations of

Islanders. In many ways we are now catching up for the increases in life expectancy and population ageing. As the O.E.C.D. (Organisation for Economic Co-operation and Development) noted, retirement used to be a luxury enjoyed only by a few; now it is an expectation for the many. However, it has to be paid for and the cost of longer lives has to be spread between the generations to ensure the financial sustainability of our Social Security Fund. If we are not prepared to increase the pension age we shall simply pass an ever greater and, in my view, frankly unsustainable burden on to our children and grandchildren. We need to discharge our responsibility to future generations. Sir, I maintain the proposition. **[Approbation]**

The Deputy Bailiff:

Is the proposition seconded? **[Seconded]**

[10:00]

1.1.1 Deputy P.V.F. Le Claire of St. Helier:

I do not think it is the right time for us to be agreeing this proposal, although there may be merit in doing so in the next 2 or 3 years. I certainly do not believe that the consultation has been significant enough to warrant bringing this forwards and it is interesting for the Minister to talk about what the States Statistics Department has said about a Social Survey that goes out to 3,200 people and the results of that being 51 per cent. Then, ahead of that, in his speech to talk about the experts' expression "the demographic change", and we have all known that the demographics in relation to Jersey's future have been set out by many predecessors. I have great confidence in the Minister for Social Security. I think his professional abilities have brought much benefit to the position that he is in, however, with the greatest of respect, I would refrain from supporting him on this occasion because I believe that we need to look at the census. If you look back - and I have been looking back and I will be bringing it out in future debates - there have been so many instances, beginning with Senator Ozouf when he was a Deputy in charge of Etat Civil beginning the first census asking questions to the then Minister for Housing, Senator Le Main, who I think at the time was a Deputy: "Are you going to base your housing policies on census information?" "Yes, I am." "Is it not right to base your housing policies on census information?" "Yes, it is." Prior to that, in fact, yesterday I received the document on population that referred to the census of 1986, I think. So, looking back over the minutes of the States and into the population issues and statistics that I have been doing, I am absolutely completely convinced 100 per cent that everybody else in every preceding States Assembly has seen the need, including the Minister for Treasury and Resources, for us to base our proposals upon sound information from the census. Now, I have been to see the Head of Statistics and it is cognitive bias that is really annoying when it is used in this Assembly, and it is used very often, when we say, for example: "There is not a migration population issue; we have got it under control because we have set our States Strategic Plan at 150 heads of households." Well, yes, whoopie woo, we have said that I am going to win the lottery; but it is not necessarily going to happen. One hundred and fifty heads of households corresponds to 325 people a year. Over the last 4 years there have been 700 inward migrants over and above births and deaths, so to suggest those inward migrants are not going to be in the very, very large majority, pensionable people in the near term ... our problems have derived, according to the Head of Statistics, because of the 1970s influx of the baby boomers on top of the baby boomers and the large migration of people that came to the Island of middle age at that time, driven by the tourism industry and the arriving new finance industry. Now, if we look at demographics and we think we trust the experts that demographics are what we should base our principles upon, then we really need to base those demographics and those population models because as I said before in an E.i.P. (Examination in Public) recently, the population model will work - the States Statistics Department has developed one - it will work on any number we put in, even the real one. If you punch in the real numbers - and Imagine Jersey we had 325, it was a very interesting number because it kept us below a headline figure of 100,000 and I have sent this in emails to Members - they will see that 700 a year, whether or not we continue or whether or not we adjust it on a 5-year, 3-year self-

adjusting average, 5-year rolling average, whether or not we achieve that is neither here nor there. The fact is that for the last 4 years we have not been achieving it. So, for the last 4 years on average it has been 725 people a year coming into Jersey. I am going to go on to argue other points about this in a minute but let us just deal specifically with the demographic argument there. The facts at present and the issues that have been drawn up are based upon old data and, while I do agree with the Deputy of Trinity as the Minister for Health and Social Services that there is certainly a silver tsunami coming in relation to need, there is a whole body of work that needs to be considered about the provision for those people in accommodation, sheltered housing, *et cetera*, and whether we rack up the age of people who can access sheltered accommodation from the age of 55. In the newspaper recently we saw, from the Minister for Health and Social Security's consultation, that unless we do something to address these issues, we are going to see a hospital that is not going to be capable of delivering emergency services because it will be stacked with old people. Maybe this is a plan to keep them out of hospital and in the workforce, I do not know, but certainly when we talk about incentivising people and motivating people I think we need to get away from Imagine Jersey and get away from our imagination and look at reality. Imagination is a wonderful thing but so are facts. Facts are more important and, as I said, I will bring it out in documents for Members to see in future debates and I will place them before Members to see the words of people like the Minister for Treasury and Resources who based his Etat Civil census most importantly squarely at the feet of the Minister for Housing's plans for the future. We need to, with the greatest of respect to the Minister for Social Security, put this aside until the census information is there for us to revisit. Now it may not be supportive but this is my view, for what it counts in this Assembly, as much as the public's.

Deputy I.J. Gorst:

I am not sure if the Deputy would like me to address that issue ...

Deputy P.V.F. Le Claire:

Not really, Sir, I would like to continue and then the Minister can ...

The Deputy Bailiff:

You will have your chance to respond to everyone at the end, Minister.

Deputy P.V.F. Le Claire:

Much of his speech was driven around: "If we do not do this, we are going to have more inward migrants" but we have got a policy now. The Chief Minister ... oh, one minute, where is the Minister for Planning and Environment? He is meeting the Ambassador for China. Senator Ozouf has just come back. The Minister for Economic Development has just come back, Senator Maclean. Senator Cohen has just come back from Israel. Drumming-up business; the Far East, India, Near East, all of those places where they can drum-up business and perhaps after them we need the business. We do need the business, so they are doing the right thing, but that is a policy of growth; the policy of growth to maintain income, to maintain our finance industry, to keep people in jobs is what is going to give us the revenue we need to go forwards. We are talking about pensions and I think the vast majority of the public, although it does not get you elected by saying this, would like us to see us doing something about a final salary pension scheme and pensions across the board and why the taxpayers and the limited amount of revenue to maintain the pensions that we have ... and, okay, we do have a good pension scheme and, yes okay, we do pay less than other people, but we have a lot less other things as well. We have less home ownership in Jersey. We have identified in this last ... I have been identifying but luckily, just out of pure fluke at the same time, my timing ran in tandem with the U.K. who issued many reports this week. I have sent them to the Minister for Treasury and Resources. Those significant reports, commissioned by the Halifax and other people, highlight the issue of home ownership in relationship to pensions, and the fact that if young people are not able to access a home, they are less likely to be able to support

themselves in pensionable years. There has been nothing saved up; it will all be in the toilet and flushed away every week or every month as rent. If they are in private accommodation and they do not meet the social housing need, which is ever-increasing at the moment, then that will be going to somebody's pension in the U.K. through share transfers. Share transfers last month were two-thirds of flat sales. Two-thirds of all flats sold in Jersey last year, certainly last month, by share transfer ... two-thirds of flats sold last month were by share transfer. Now those could be arguably pension funds from the U.K. We talk about incentivising the old people to work; my Dad is 78, I think - he is getting on - he was here during the Occupation as he reminds us; a local boy; De La Salle-educated; worked at the harbour all his life; he really gets irate when he goes out or when he was going out working, doing a little bit of work on the side, and then got taxed on the pension that he received as part of an income. I have mentioned this before and he makes great play of repeating the story to me on occasions about the time he phoned-up Senator Le Sueur and ticked him off because he did not like the fact that his pension which he had paid tax on was again being taxed as part of an income. If you want to incentivise the old people to work let us do that. We talk about regulations and cutting red tape; we have already removed from the head count of the manpower allocations any need for companies to assign that head count to an elderly person. They are not in the mix of the companies' head count so any company at the moment can employ people, set aside from their head count, that are past their pensionable age. "Is that true?" the Minister is asking me. Well, it is true and that proves my point; the Minister really needs to sit back a little bit and, with the greatest of respect, get a little bit more information. Employment patterns are changing and so are, as I said, people's will to be part of the system. The younger people these days would far rather play Nintendo, take a small amount of money and head down to St. Ouen when the surf is right than go and find a job. In the changing marketplace, where there are no private pensions available and where there are no job opportunities or restricted job opportunities and high levels of unemployment and low levels of home ownership and low levels of those dreams being achieved in Jersey and having a successful life or a family; unless they are lucky to walk in on the back of a (j) cat, they are minded to say: "Well, this system is not working for me and I am not working for it."

Deputy R.G. Le Hérissier of St. Saviour:

I thought that was a slur on the young generation. What percentage of people are rushing off to St. Ouen absenting themselves from work in a deliberate fashion. **[Approbation]**

The Deputy Bailiff:

Just a moment; the Deputy is not giving way.

Deputy P.V.F. Le Claire:

My point is that we should not be keeping those young people from gaining and experiencing the jobs that they dearly wish to have. They all want to have a better life. They all want to have a good job. They all want to have a home, but by keeping people, I am arguing, in work longer at the top end, we are blocking their entry and we are blocking their aspirations and we are giving them those other jobs, in my view, that many of them do not want. I do speak to younger people and many of them are working but many of them are not working in jobs that they like, particularly. It does not mean to say they are all going to St. Ouen surfing, Deputy Le Hérissier comments to me - and that is absolutely correct - but I am trying to give a flavour of what I think is wrong with introducing this at this time and if Members take me literally they will be tripping me up all the way to the end of my speech, which I do not intend them to do. A lack of vision; the Minister says that this Assembly suffers from a lack of vision and not taking difficult decisions. I am sorry, this is not a difficult decision. This is an easy decision to take if we have clear vision but what is making it difficult for me today is that I do not have certainty from the census and I would like to see a more robust set of information and I would also like the Minister to recognise that the numbers that he is working to, as with our Island Plan - 150 heads of households - has nothing to do with reality. It is a fantasy. There are 325 heads of households coming in; not 150. So this demographic chart and

this Island Plan proposal and all of the rest of the proposals that Ministers are staking their claims to look good at election times and makes them look all green and: “We are managing migration, we are managing the economy, we are managing the environment, we are managing everything”; well, we are if we look at our fantasy numbers in our imagination. If we sell them our imagination everything is working, but do not let them peer behind the curtain and see the reality where we are failing in all areas. So, there, we have heard it from me. I will just check to see if there is anything else I can say, hopefully not upsetting any more young people or Deputy Le Hérisier. **[Laughter]**

Deputy T.J. Le Main:

Hurry up, I want to go home. **[Laughter]**

Deputy P.V.F. Le Claire:

You see, Senator, the man wants to go home and if he had retired a few years ago **[Laughter]** ... Interestingly, I sent an email to the Minister for Social Security and I stand to be corrected but I believe it was Kaiser Wilhelm III who introduced pensions and pensionable retirement age ... Bismarck, was it? Yes, Bismarck, so **[Laughter]** ... I should have asked an historian. I will give way to Deputy Le Hérisier here.

[10:15]

The Deputy Bailiff:

Can we go back to the ordinary rules of debate?

Deputy P.V.F. Le Claire:

Bismarck introduced the retirement age because in the Assembly where he was trying to get things through there were too many people of advanced years that were blocking his proposals so he brought in a retirement age and got rid of them all. So Senator Le Main can go home and so can I.

1.1.2 Deputy M. Tadier of St. Brelade:

I will try to follow that. We have got a choice here today; we can have a scenario where ... sorry, I will wait for Members to leave and then **[Laughter]** ... have we still got enough to carry on for today? It is obvious Members are taking a break now because they are not sure whether they are going to get those 2 years later on in their life so they are making up for it. Getting back to a serious point; I think we are faced today with a choice here. The current situation we have the years 65 to 67, which are the best years of retirement or they can also be the hardest years of work. I think that is fundamentally what we are looking at today. We have heard lots of arguments about the economics of it, about statistics, about averages, which I think fail to take into account the very real circumstances that real people in Jersey find themselves in. I am going to talk in a moment about those averages. I did find the comments of Deputy Le Claire about young people incorrect. I do not think that they are all sitting around playing Nintendo or heading to St. Ouen; in my opinion they much prefer to play PlayStation and go to St. Brelade’s Bay, which is much a superior beach. Seriously though, I think it completely misunderstands the strong work ethic that I think people in Jersey have right across the board, including the many young people I know who do work hard, often in jobs that are not particularly well paid. They struggle to find work; often they take jobs that are not necessarily their first choice. Of course, like all of us, they do value their leisure time and I do not think that is a bad thing either. The problem with looking at averages... and when we are talking about the increase in life expectancy; sure, life expectancy has gone up in recent years because we live in a more affluent society. We have had medical advances. But the trouble with looking at averages; it does not take into account the differences in social background. I would contend that people in easier jobs with shorter working hours are necessarily, on average, going to have longer life expectancy than those who are working in very physical jobs, who come from poorer social backgrounds - and the statistics bear this out - that are not having good diets, and that are not exercising in a meaningful way because they do not have the social and leisure time. These

people, some of them, will not even make it to retirement age. Now part of the issue, of course, in the system is that it is completely topsy-turvy. On the surface of it, it looks like a fairly progressive system; everybody pays in, those who earn more seem to pay more and everyone gets the same pension at the end of the day. Of course that is not quite true; we have socialism but Jersey-style socialism where those in the middle ... so if you earn up to roughly £45,000 your contributions are capped, anybody who is earning a lot more than that is paying relatively less in terms of their income to what they get out for the same pension. So it is again Jersey-style; the middle-earners funding those at the bottom, and I think there must be a better way to do this rather than simply looking at raising the retirement age. There is also a flawed presumption, in my opinion, that life expectancy will continue to rise exponentially. I have mentioned that we are facing certain medical crises which are not necessarily targeting the population right across the board but things like obesity, things like other work-related stress, in particularly high-stress jobs, for example, to do with physically stressful driving, manual labour. One comment, which I found particularly strange, is that the Minister said that there are very few people who do manually arduous work. That is not from my opinion, and heavy manual work is not simply about heavy. If you are climbing ladders all day, if you are kneeling down doing the pavements; that is not particularly heavy work but it does have a massive impact on one's knees and my concern is that there has not been any analysis of those individuals in these types of jobs. It can apply to office jobs. Of course there are some office jobs as well which are very stressful in a different way, because people are not getting any physical exercise. They are sitting in front of computer screens all day and they are getting completely different physical ailments, which are related to a lack of exercise. Now these individuals are not going to have the same life expectancy. It is not true that they all end their jobs - those in heavy jobs - in back office jobs. In fact, that is completely not the case. Most of the time they just wear their bodies right down to the ground, they cannot wait to retire. If you talk to your average manual worker the conversations when they get to 55/60 are: "I cannot wait for another few years and I am retiring"; that is all the conversation centres around. I do not think enough research, enough consideration, has been given to this section of society. I think it is absolutely true that there will be a knock-on effect for younger people in employment. We know that we already have a problem with youth employment. The increasing unemployment statistics are predominantly made up of the youth. There is a massive issue there. One of the ironies of course, it would seem to be sensible to increase the contribution age from a younger age to ask people to start contributing at a younger age rather than a higher age. That is not possible, of course, but there is another inherent contradiction in the system insofar as people who do not have children, once again are generally subsidising those who do. That is not a problem; that is the way things work, but maybe there could be consideration to some kind of fund being set up where people who have children have to start contributing to social security from the moment that those children are born. That is probably slightly too radical, but there are solutions which can be brought to the table. The other underlying problem, I think, is just to do with the current nature of society and the ideology that we have of growth at all costs. There is an issue of growing the population but there is also an issue of the economy continually growing so that payments that have been made into the system do not keep up with the cost of living in real terms. The point is, if we are buying-in to the system of growth at all costs and that growth is the only way that we can win, we are buying-in to a system of spiralling costs where whatever you pay into that system is essentially never going to make the money because the interest that you will get is never going to keep up with the R.P.I. So, growth is part of the problem. I think, if we really want to tackle the underlying issues we need to look at the way society works, our economic model. I think those are my main comments. I think that not enough research has been done into the demographic breakdowns and the unintended consequences that will arise from what seems on the surface a fairly innocuous proposition. I think there are inherent inequalities in it that have not been addressed. I do not see that there has been a vast amount of meaningful consultation. Of course, this is always a problem in an island where people are not immediately willing to engage for various reasons, partly because they work so hard. The other consideration is to say that in Jersey,

in the U.K., like countries such as Japan and the U.S. (United States), we already work longer hours than most of the world. We are already spending a lot more time of our lives working and if you compare it to somewhere like France or the Scandinavian countries; the working week itself is lower. So, in real terms the amount of work that any individual is doing throughout their whole lives is already far above many countries or most countries that we are trying to make comparisons with in the world. We also have a higher retirement age, or it will be. So, I think those considerations have got to be taken into account. I cannot support this, I do not think there has been enough research. I do have to make one criticism, not of any States Members, but I have been very surprised at the way there has not been any particular reaction first of all from civil society, from lobby groups and I would ask, because I know they will be listening, where have the union representatives been on this? We know that when such propositions were brought in France, even with France's - and I will say it - very generous social security arrangements - probably too generous to be able to sustain their economy - we saw a massive cross-section of society taking to the streets. There was leadership shown there. I am saying if this proposition does go through today I do not expect any union reps or any members of the union to come to me and say: "Is it not absolutely terrible that this has gone through the States?" when there has been no leadership shown in the way it should have been. I know there were various reasons for that, that is not to say they would support this proposition; clearly they would not but all I would say is that blame cannot simply be laid at our door if this goes through. I hope that other Members will agree that not enough information has been given to us and there may be actual cause for further scrutiny at some point or possibly cause for a reference back.

1.1.3 Senator B.E. Shenton:

This is just a short question rather than a speech. I would like the Minister just to give some confirmation of what is happening with the P.E.C.R.S. (Public Employees Contributory Retirement Scheme) public sector and teachers' pensions and whether the retirement ages on those pensions would also be increased because I would hate to think that today we are only raising the retirement age for people who do not work for the Government.

1.1.4 The Very Reverend R.F. Key, B.A., The Dean of Jersey:

I make no comment on the wisdom of this proposal, although it is of course a debate that is being had all around the world. It does seem to me that there are one or 2 ethical points I wanted to lay before this Assembly. The first is that it is a mark of a civilised and compassionate society, both to care for its older members but also to provide them with a maximised opportunity to live until they die; not simply an existence but if the older folks also want to go surfing at St. Brelade or St. Ouen that should be something that is open to them. Secondly, it seems to me that it is an absolute mark of a civilised and compassionate society that we do not burden our children because we were afraid to make decisions. I think that is right about having a debt-free society. I think it is right about making sure that tax and social security contributions are at reasonable levels; that is to say to make sure that we say: "Well, we could not afford to pay that but we rather hope that they will be able to." However, it does seem to me that there needs to be a level playing field in the employment market. If you are the Dean, unless I really do something to upset Her Majesty profoundly, I could if I wanted to, make it so that she was saddled with me until I am 70. It seems to me that if you are a Member of this august Assembly, providing you keep winning elections you can stay until whenever. However, that applies to many other professions as well. **[Laughter]** If you are a shop assistant, and this was said to me just the other day, if somebody wanted to extend their working life, they went to a particular shop - I do not know its name - and there was a vacancy advertised. They turned up and said: "Well, okay I would like to take the job" and they said: "No, we could not possibly have somebody of your age working here; you are far too old." Now, if we are going to ask people to work longer then we must provide an employment culture in which that happens, and it seems to me we must do that without any excuse about Jersey is too small so normal rules do not apply, that has to be the way it is. I was glad to hear the Minister say that an eye would be kept on

regulation because it does seem to me that there are occasions where cultural change by persuasion may fail and cultural change by regulation must be the safety net to make sure that those we are asking to work longer have a fair opportunity to do so.

[10:30]

1.1.5 Senator S.C. Ferguson:

I think I will probably bring a bit of balance to this because a number of Members - well, 2 Members - have been decrying the Minister for daring to suggest that the retirement age should be increased over the next couple of decades or so. I was thinking about this last night and I wondered who picked the 65-year age limit for men and as Deputy Le Hérissier, the fount of all knowledge, has said, the age was selected as the time of retirement by the Iron Chancellor, Otto Von Bismarck of Germany. According to my version - Deputy Le Hérissier may have a different one - he introduced a social security system to appeal to the German working class and to combat the power of the Socialist Party in Germany during the late 1880s. Somewhat cynically, he knew that the programme would not cost very much because the average German worker never reached 65 and many of those who did lived only a few years beyond that age. Now, when the United States passed its Social Security Law in 1935, the average life expectancy in America was only 61.7 years but they stuck to 65. But why 65? Apparently Bismarck thought the age of 65 was a reasonable compromise as this was the age at which most old soldiers died and, out of interest, Bismarck lived until he was 83 so I expect he was collecting his pension for quite a long time. Now, Beveridge in the U.K. produced his report in 1942 and it was brought into force by the Labour Government after the Second World War but had been approved by the Coalition Cabinet during the war. Forgive me for going back into history but to see where we are going, we do need to know where we have come from. Beveridge came out with 3 principles. The first was that it was appropriate that in 1942 in the middle of a World War he felt that at a revolutionary moment in the world's history it was a time for revolution not patching. He maintained that the organisation of a social insurance is only one part of a policy of social progress and the other parts to be tackled - sadly, I think they still are - are disease, ignorance, squalor and idleness. His third principle was that social security must be achieved by co-operation between the State and the individual. The State should offer security for service and contribution. I do not think he intended to include a benefit dependency culture. The State, in organising security, should not stifle incentive, opportunity, responsibility; in establishing a national minimum it should leave room and encouragement for voluntary action by each individual to provide more than the minimum for himself and his family; definitely not a fan of the benefit culture. But very interestingly he says - and this is in 1942, that is 69 years ago - the provision to be made for old age represents the largest and most rapidly growing element in any social insurance scheme. So what is new? Beveridge took 65 as the retirement age, and I cannot find any rationale for that choice except the U.S.A. had taken that age, copying the Germans and the Germans based it on the life expectancy of an old soldier, and the mechanics of the system proposed by Beveridge were based on the New Zealand system and we have, to some degree, based our systems on the U.K. What all this boils down to is that we are quibbling over a 2-year increase in a statistic which was derived by a rule of thumb of a somewhat despotic Chancellor of Germany in the 1880s. Is this sense? We are talking of a proposed increase of 2 months a year, beginning in 9 months' time, in 2020 and culminating in a 2-year increase in pensionable age by 2031. By 2031 the life expectancy of a man born in that year will have increased from 79 for someone born in 2011 to 81.1 years born in 2020 and 82.7 years born in 2031; so we are talking an overall increase in life expectancy of about 3.7 years. My figures may vary slightly from those quoted in the Minister's proposition as I have used the Government Actuaries' tables of life expectancy at birth but the overall thrust is the same. Now a man born in 1911, 100 years ago, had a life expectancy of some 50 years. We may even see significant changes in the next 100 years due to medical advance but I think that the graph is levelling off. I do not expect to see the significant changes but, on the other hand, in 100 years' time it is quite possible I may not be here to see it and some of you may say that is a good thing. **[Laughter]** The Minister has taken an eminently sensible approach to

dealing with the situation. As one of the senior - and I use the word advisedly - Members of this Assembly, I refuse to consider that I am a problem, unlike those who speak of the problem of the ageing population. I do, however, intend to live long enough to be a problem to my offspring. I do wonder - oh, I am sorry it took so long for some of them - if we do not need to do more now. The Dean has mentioned the problem with the employment culture. Currently companies see the 65 age limit as a carte blanche for throwing - and I class myself as one of them - "oldies" out if they are men, and 60 if they are women. If we do not address this then we could end up with people being required to retire but with a gap between retiring and receiving their pension. This is not a good idea. The Minister says this must be addressed and I would appreciate his comments on how to do that in his reply. In this age of equality we should also be planning for the increase of a woman's pensionable age to be raised to that of their male counterparts. This has already commenced in other countries and we should be doing the same. The Minister, in his report, says he wants to revisit this in 2010 but I think it needs to be done sooner and as the report says: "We are not doing enough to draw enough on the experience, skills and knowledge of older people" and, as the Dean so eloquently put it: "We employ Jurats until they are in their 70s." There is no sold-by date for Connétables or Members of this Assembly or even the Queen. What is wrong with utilising the wealth of experience of the older generation? This is a carefully thought-out and sensible start to modernising our social security system with a long transitional period. I will certainly be supporting the proposition but with the rider, we need to do more and sooner rather than later.

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

Can I inform Members that at the end of my speech I wish to propose a reference back for this proposition seeking further information.

The Deputy Bailiff:

The purpose of the reference back is to seek more information. If you need more information it is hard to see why you should want to speak before you get it.

Deputy G.P. Southern:

Because I wish to make the case for making that reference back.

The Deputy Bailiff:

Then make your reference back but do not speak to the proposition. Is that not the way you look at it? The purpose of a motion for a reference back is to get more information in so that you can then address the proposition. If you can address the proposition without having the information I cannot quite see that you would then, at the end of your speech, make a proposition for a reference back. If you want to make the proposition for a reference back I would have thought the time to do it is now and if you are successful then, of course, you get more information ...

Deputy G.P. Southern:

I will make a speech which has the intention of proposing a reference back. Is that satisfactory? It is a long time since I have done a reference back. It has been 9 years and I have forgotten.

The Deputy Bailiff:

It is your choice, Deputy. I just express the view that if you made your speech on the substance of the proposition then Members may think when you try and get a reference back at the end that you did not need the reference back because you have made your speech, but it is a matter for you.

Deputy M.R. Higgins:

With respect, some of us would like to hear him.

Deputy G.P. Southern:

All right. Thank you for the advice. I want to start with the opinion column of the *Jersey Evening Post* of 3 nights ago now for 2 reasons. One, I absolutely agree with it and that is a rare thing. Occasionally they agree with me. It starts off: "Tomorrow the States will debate a matter of outstanding interest and importance to a great many Islanders." "Outstanding interest and importance." In the final paragraph it goes on: "It is legitimate to ask if tomorrow's debate is premature. The pension age proposition having been lodged only a few weeks ago, arguments for and against the proposal will, of course, be aired on the floor of the House but can we be sure that Members have sufficient opportunity to consider the complex issues involved to sufficient depth?" The answer to that question, I believe, is no. When I walked into the Assembly this morning I heard a relative newcomer to the House asking a Minister: "Where is your Green Paper?" and I put that to this Minister for Social Security: "Where is your Green Paper?" because surely if anything affects every member of our society it must be pension age, and that is a singular important issue that must be debated properly, it must be debated in an informed way and public opinion must surely be sought properly of that. Yet, where is the Green Paper? It has not appeared. I refer Members to the guidelines on consultation and it says: "Major policy decisions affecting a broad cross-section of the community will need to be the subject [need to be the subject] first of a Green Paper and subsequently a White Paper." Is this a major decision? Absolutely. This affects the working and retirement lives of every person on this Island. Where was the Green Paper is the first question. Where is the consultation? In his speech the Minister for Social Security gave scant regard to that consultation process. He said it has taken place. I looked in his paper - 34 pages long - for the word "consultation" and I finally came across it on page 13. It is contained in one paragraph, one single paragraph of the entire paper dealing with consultation, Jersey public opinion, where it says: "Over recent years various questions have been asked through the Jersey Annual Social Survey and Imagine Jersey 2035 to gauge people's reactions to different measures to tackle the funding challenges facing the Social Security Pension. Reducing the value of the pension is regularly the least popular opinion, while removing the ceiling or increasing the level of contributions are viewed as more acceptable, if a change has to be made. Raising the pension age is somewhere in the middle." So, is it the overwhelming top of the chart in people's opinion? In the scant consultation that has taken place, no it is not. It is somewhere in the middle and I will come back to somewhere in the middle in a minute. When faced with a specific challenge to address the Island's funding pressures, in 2035 workshop participants all included an increase in pension age as one of the measures that would need to be taken. Why did every member of that consultation process or that workshop - and I was at that workshop - and believe you me there were a lot of people saying: "We should make people work longer" but they were retired. It was a daytime consultation; a great proportion of the people there had already retired so what they meant was ... and I will not take interruption again from behind me. I am on my feet.

[10:45]

Senator P.F. Routier:

Would the Deputy give way a second?

Deputy G.P. Southern:

No. No.

Senator P.F. Routier:

It was just really what day the consultation was on.

Deputy G.P. Southern:

A significant proportion of that meeting were retired and what they were saying was: "I am retired, let other people work longer; that is all right." "The options for change are discussed further in the next section." "The options for change are discussed"; information of the options is not given. The Minister has decided to approach it in this way. As the Dean has said, enforcement should be the

fallback position. A voluntary opportunity to work longer should be the starting point and again we address that. So, proper consultation has not, I believe, taken place. The 34 sides of this report have references to consultation taking part in Imagine Jersey 2035 - already mentioned - Jersey Annual Social Survey 2009 and 2010 and will examine those results and in Keeping Jersey Special. Well, Keeping Jersey Special - I do not know if Members remember it, I have still got a copy of it but it was bequeathed to us by Senator Walker as he retired from his Chief Ministership - covered a wide range of things, only one of which was funding pensions and the ageing of the economy and simply referred back to Imagine Jersey 2035 as a starting point and made the statements that a consistent view from the public reinforced by the participants of Imagine Jersey 2035 has emerged. "The countryside should be protected and houses should not be built on greenfields." Fair enough. "The economy should be grown to become more productive. They would be prepared to work longer and wait longer for their States pension." "Would be prepared to work longer"; this reluctant admission that perhaps we might have to is different to raising the pension age. "They accepted they may have to pay more for certain services." "Pay more"; an option. "They accepted a limited level of inward migration is necessary." Look how wide-ranging that was; a reference back to Imagine Jersey 2035 in July of 2008. That is not a consultation document, nor does it contain detailed information of what we need. So, let us have a look at those so-called consultations and here we have Imagine Jersey 2035 - a sad life I lead; I keep these things - January 2008 and on page 15 here we have: "Please rank the 4 options most acceptable and least acceptable. Growing the economy: 60 per cent most acceptable. Working longer: 20 per cent most acceptable. Resident population pays more: about 28 per cent most acceptable. Allowing more people to live and work in Jersey: 50 per cent. Working longer: 20 per cent. Why did people refer to working longer? Because they were asked to refer to working longer. Did they find it acceptable? No, it was the least acceptable. The least enthusiasm and the measure of that, when you consider these options across the board ranking them, growing the economy came out with a score of 2.8 per cent, working longer 1.6 per cent compared to 1.4 per cent and 1.2 per cent, just above the lowest ranking. Please rank number 1 to 4, 1-point-something; so either last or next to last on the options. No great enthusiasm for working longer. So we turn to the Jersey Annual Survey. This is 2010, the Minister referred to it and we have got again 2 questions in the main, on pages 78 and 79 of this survey. In figure 11.2: "Which of the following would encourage you to work beyond normal pension age?" Listen to the words "encourage you to work beyond normal pension age." The Minister himself said: "We must encourage people, we must assist people to work longer. We must provide the opportunity for people to work longer. Those are all enabling; this is compulsory." The starting point here is not enabling, it is enforcing. It is raising the pension age. It is the stick and not the carrot. Where is the carrot in these propositions? It is not there. It is vaguely in the report; it is not in the proposition and, as we know, what we vote on is the proposition. That is what we are going to do if we pass this today; we are going to accept the pension age will rise to 67. In order to stop that we would have to rescind what we had passed today if we pass it, and I am suggesting we should not because it is the wrong approach. So; encouragement to work longer, higher value pension if you retire later. Well, that is a jolly good idea; that would offer encouragement to either a great encouragement or some encouragement to 74 per cent - three-quarters - of the population. Why are we not doing it? Why is it not in this proposition? We are going to do it sometime over the next decade, perhaps. "Retraining to change jobs"; appealing to 40 per cent of the survey. "A less physically demanding job"; again appealing to 45 per cent. "A less stressful job" - and Deputy Tadier mentioned that, that a stressful job is not necessarily physically stressful - 57 per cent: "If I had a less stressful job I might work longer." "Opportunities for part-time working or job-sharing"; over 60 per cent encouragement. "Extra tax breaks for wages earned beyond normal pension age" - ah, that is looking more like it - 65 per cent. So what we are talking about and what was surveyed were encouragement, opportunities were what would help you decide to work longer. No mention of compulsory pension age. Here we come to the 2010 questions. "If you are below the age of 65, to what extent do you agree with the following statements?" Now, listen carefully, how reluctant is this? "I would like to continue beyond the age

of 65", 28 per cent agreed, slightly or strongly with that so just under 1 in 3. "I will need to work beyond the age of 65 to maintain my standard of living", I will have to work numbers 48 per cent, practically half. Here is the reluctant admission; it is economic: I will have to. "I would like to find a less demanding job as I get close to pension age", 27 per cent, 33 per cent, 60 per cent. Six in 10: "Yes, you could encourage me to work longer; I would need a less demanding job." So, no question; nobody has been asked: "Would you accept the raising of the pension age?" "You cannot get hold of your pension until you are 67. Should Government do it?" Nobody has been asked. Then we come to the 2009 survey where we have a question. "How acceptable or unacceptable are the following options in terms of funding the pension. Making any earnings over £42,000 subject to social security contributions", and we are starting the move towards that. Is that acceptable or unacceptable? 52 per cent say it is acceptable so a large measure of agreement with that. "Increasing the percentage paid in social security contributions", 38 percent find that acceptable. So 2 in 5 saying increase contributions to pay for the pension. "Increasing the age at which the full pension is paid", 32 per cent. Again, back down to 1 in 3 saying that is acceptable. "Means testing the pensions", 28 per cent. About the same. "Reducing the value of the pension", 18 per cent find that acceptable. Okay, so when the Minister says: "This measure is somewhere in between" we are talking 1 in 3 say that is acceptable. Two in 3, two-thirds of people are saying that is unacceptable making us to wait longer for our pension. When you rank those by choice, 1 to 5, increasing the age at which the full Jersey Social Security Pension is first paid comes second to bottom of ranking. Second to bottom of the ranking. That is the total consultation that has taken place. One has to ask, was that informed consultation and one has to say, yes, people were aware of the demographic bulge at what is happening to the ageing of society. They were not aware, and I do not believe any Member of this House is aware, of what the impact of any of those changes would be on our ability to maintain the pension. We are told that the way forward is to start with increasing the pension age. I think that is the wrong way round. I will tell you for why. The why is the simple fact that what that does is extend the life of the Social Security Fund by one year, from 2034, I think, to 2035. By one year only; so you make everybody work 2 years longer and you get a small measure of improvement in the condition of the fund. On average, depending upon which year you take - whether it is 2036, 2026 or 2066 - you get between a 7 per cent and a 10 per cent increase in the ability to pay. But that was not the only examination that took place. What Members need in front of them and what the public, I believe, needs in order to fully understand the background and the effect of the options that are available to us of which increasing the pension age is, as the Minister for Social Security says, just one - but it is the one he is going with - then they would need some sort of summary of this paper, which I do not really believe many people in this room have paid a great deal of attention to. It is the Government Actuaries *Department Supplementary Report on Possible Changes to the Fund Contributions and Benefits* - that is the Social Security Fund - dated 15th September 2009, Social Security Fund. I will just ask if anybody has seen that and examined it. Have they? One, 2 hands, 3 hands. All right. In it, it says that, for example, if you were to follow starting with increasing the pension age, then you would get, let us say by 2066, a 7 per cent improvement in the rate of contribution you need to keep the fund going. If, however, you were to change the indexing on the pension fund then you could, in combination, arrive at a position where the funds are never extinguished. Now I am not suggesting that we should not necessarily go ahead with increasing the pension age.

[11:00]

But we must do that and if we are to do that we must do it with consultation and we must do it with the information that says: "What would be the impact of other moves?" Now, if we were to change in a very straightforward way the funding of the pension and change its linking then we get between a third and 40 per cent change in the level of contribution benefit that we have to put in, the level of contribution. Before people take that decision - and before this Assembly takes that decision - I believe we have to be aware of what that means and we have to look at all of the options, and that means a Green Paper and proper consultation on the full significance of what we

are talking about. People have already said they are prepared to pay some more in contributions, and less acceptable than that is an increase in the pension age. In order to make their mind up - and in this House in order to make its mind up - we have to have full details of what the proportion is, which way should we go in terms of a balance. The Minister talks about his proposals were balanced. They are not balanced. He is proposing we start with compulsorily changing the pension age and moving on some time in the next decade from there. Where is his discrimination law to make the age discrimination illegal, to take the default retirement age out of the system? That has got to take place first surely, and a way forward to balance what is a difficult situation, making sure the Social Security Fund can pay our pensions, needs to be taken forward in an informed way. Not only does it need to be consulted in an informed way, we could alter the contribution rate by this much, by taking so much and balancing it with this, or whatever. But we need that information. This House, I believe, cannot make that decision without having that information. So in the general statement about what we could also do, some of which the Minister has ruled out, we are talking policies to facilitate later working, particularly flexible options including a gradual step down from full-time work to part-time work to full retirement. Age discrimination legislation, incentivising people to delay the time they stop work; financial incentives for employers to hire post pension age workers; tax breaks for wages earned beyond pension age; strong focus on occupational health, people's ability to work at older ages; a strong focus on education and training of older workers at present. Until we see some - and I would suggest at least age discrimination legislation - we should not be proceeding with this, what I believe, one-eyed view of which way we should be going, which has limited return. One year extra on the life of the fund, between 7 per cent and 10 per cent change in the contribution rate. We can do much more and we ought to be able to consider the options of which way we go forward without the Minister saying: "I have decided this is the way forward and we are going for it" despite the lack of enthusiasm for it that is coming from the Jersey public. I will return to finish with a statement in the *J.E.P. (Jersey Evening Post)* in its opinion column it went on: "It is fair to say that there are sound arithmetical reasons why this change should be made" - the raising of the pension age; as I pointed out those sound arguments are very thin, we get a very little augmentation of the ability of the Fund: "They hinge on the affordability of benefits in the light of demographic changes. Greater longevity clearly means people are drawing pensions for longer. It also means that as the proportion of pensions in the population increases there are fewer people in work and, therefore, less tax revenue to meet increased demand for services." That is fact, we all know about this, the question is how do we address it. This is a limited proposal with limited information. However, if raising the retirement age by 2 years makes some important sums add up and amounts to consummate good sense in actuarial terms, Members must be aware that this is a measure which also has human dimensions. Balancing the books is one thing and I think that is what we have heard; treating people fairly and appropriately is another. When the human element is introduced into the equation the question of whether the retirement should go up becomes far more complex than the basic arithmetic might suggest. There are, for example, many categories of work and an extra 2 years labour would mean very different things to a manual worker and an office working. Lifting and shifting tend to be major challenges to many of those in their late 60s, but it is also true to say that an extra 2 years of the tensions and stresses that some sedentary workers face can also be deeply detrimental to health. Also to be considered is the impact of a longer working life on the employment market. Could it be the case that those retiring later would block recruitment among school leavers and graduates? This issue is dismissed in the 34 pages as not a problem because we have got fewer young people, so it will not be a problem. We have got fewer young people so why are they such a great proportion of the people who are unemployed? Will that be any different in 20 years' time? The Minister says confidently "yes" he has his crystal ball in front of him, presumably. These are major questions that must be examined in detail before the House charges ahead with legislation with highly significant social implications. This is my opinion. These are major questions that must be examined in detail before the House charges ahead with legislation with highly significant and social implications. Against this background it is legitimate to ask if tomorrow's date is premature, the pension age proposition

having been lodged only a few weeks ago. Arguments for and against the proposal will of course be aired on the floor of the House, but can we be sure that Members have had sufficient opportunity to consider the complex issues involved in sufficient depth? I do not think so. Just as I finish, another issue not considered and largely smoothed over, glossed-over, you raise the pension age what happens to people if they cannot work longer? Figures from the U.K. suggest that what happens is that comparing the ages 50 to 54 of the number of people who are sick or in part-time work with those 60 to 64, as they are approaching the pension age, and if you look at those figures you see that the number of people who end up sick or disabled doubles. Doubles. The number of people in part-time work trebles. So that is what happens. What will happen, we save on the pensions, what will happen on invalidity pension, on L.T.I.A. (Long Term Incapacity Allowance) in short term sickness - we will be paying in another way. It is not all win/win because people will end up sick in these extra 2 years. That is the reality. An issue that has not been discussed as well is that in the U.K. they have reduced the number of years you need to contribute - for women in particular - down to 30. Why, because they recognise that women have sketchy work records, they look after children and they do not build-up the full contribution. It turned out that over a third of the workforce have less than 70 per cent of a pension by the end of their working career. Have we dealt with that in this particular issue? No, we have not. What we are saying is these people who have not got the contributions from their working record will have to work an extra 2 years, instead of reducing the numbers of years to contribute to get a full pension we are increasing it from 45 to 47. It seems to me that is an error and not one that we should take without a fully informed debate and the information is not in this debate at all. That is the proposition I am making, that the appropriate thing to do at this stage is to refer back for further information to enable us to decide between all the options, and not just the one presented here, how we wish to proceed.

The Deputy Bailiff:

Deputy Southern, Standing Order 83 enables a Member to propose without notice during the debate that the proposition be referred back for one of 2 reasons, in order that further information relating to the proposition can be provided to the States; or ambiguity or inconsistency in information relating to the proposition, which has already been provided to the States can be clarified. Is it the first of those, further information, which is the basis of your proposition?

Deputy G.P. Southern:

I believe it could be both but essentially, yes, it is further information. We need to be able to view the impact of the alternative changes and not just this one, on the actual life of the pension fund. Those documents are there, I do not believe they have been in front of people, nor do I believe they have been properly argued, nor do I believe has the population been consulted over: "These are the options, this is the effect." They have been consulted briefly on: "What do you want to do? We have got a problem." But they have not been consulted in an informed way, so the opportunity to get us better informed, certainly on the Government Actuaries Department supplementary report and other issues.

The Deputy Bailiff:

Deputy, the reason I am pressing you on this is that the Standing Order, if a reference back is allowed, requires that the debate is confined to the merits of the reference back. So the Chair needs to know how to limit the debate on your proposition to refer back. So the fresh information you say is required is that the Members should have before them the Actuary's assessment of the fund, is that right?

Deputy G.P. Southern:

They have had that document, what they need is the supplementary report, which examines the impact of doing various things. They also need, I believe, to have the public have an informed consultation and to know what the public think, those are the 2 issues. Because they have been

partly consulted, despite the fact that this is a major change and the rules say this needs a Green Paper and a White Paper.

Deputy I.J. Gorst:

Could I just press for a little further clarity, I appreciate it is a ruling from yourself, but it seems to me that the Deputy spent at least 15 if not 20 minutes outlining to the Assembly the consultation that the department over the years has undertaken and, therefore, while he perhaps could suggest that the extra information along the other lines was called for - although we will come to that debate in a little while - I am not certain how he could ask for extra consultation when he has explained the consultation that we have already done.

The Deputy Bailiff:

The suggestion from Deputy Southern was that there should be a Green Paper and a more formal set of consultation. On the basis that is going to be the content of the debate, that is to say whether or not there should be a supplementary Actuary's report and whether or not there should be a formal Green Paper, which sets out all the different options so that the public can be consulted on it; that is the limit to the extent which I am prepared to allow this proposal to reference back and the debate, therefore, is confined to those 2 issues alone on this proposition.

[11:15]

Deputy I.J. Gorst:

Sir, sorry to interrupt you in a ruling. The first element I would just question because there has been a supplementary actuarial review, as the Deputy has admitted, and he has waved it in front of Members this morning. All Members had access to that when I published the actuarial review so, therefore, I think - if I can perhaps push the point - what the Deputy really is asking for is a Green and White Paper process, rather than a supplementary actuarial review, as he has already had it.

The Deputy Bailiff:

As I understood his suggestion is that there is a further supplementary report which is ...

Deputy G.P. Southern:

No, sir, I do not require that. What I require is the wide circulation of the impact of the options contained in that actuarial report, which has not happened, it is not in the 34 pages.

1.2 Pension age: increase - reference back proposed by Deputy G.P. Southern

The Deputy Bailiff:

Very well, then the ruling I make is that the proposition for reference back, if seconded, will be accepted upon the basis that the further information, which is required to be provided to the States, is the information arising out of the publication of the Green Paper and that information can then be considered. I make it plain to Members that it is the need for a Green Paper only that is the subject of the debate, and I am going to be absolutely ruthless with Members in confining speeches to that because we have a very long order paper and there is a lot to do. Is the proposition seconded?
[Seconded]

Deputy M.R. Higgins of St. Helier:

Can I ask, should it also be on a White Paper as well, Green and White Paper?

The Deputy Bailiff:

The White Paper is going to be the formal proposition, as I understand it, that the Minister will then bring back as a result of the... So I do not see the need for that. The proposition is seconded. Deputy Southern, I imagine your speech stands for the proposition for the reference back.

Deputy G.P. Southern:

Indeed it does.

The Deputy Bailiff:

We do not have to hear from you again on that. Does any Member wish to speak?

1.2.1 Senator P.F. Routier:

We have here one of the oldest tricks in the book, when a Member does not really like what is being proposed. It is one of the tricks that Members have used in the past; if they know their position is not going to be successful they will bring out this old trick of a reference back to try and get some more information when there has been plenty of information. [Approbation] The G.A.D. (Government Actuary's Department) report has been a public document, it has been out there and Members have had the opportunity to read it if they had wanted. The general feeling of the public, they have had an opportunity to respond to consultation in the consultation which the Deputy criticised that there were only pensioners there. That was held on a Saturday morning where the general public had the opportunity to be there and it did not have to be restricted to ...

Deputy G.P. Southern:

Incorrect, I did not say there were only pensioners there.

Senator P.F. Routier:

Well, he gave the impression that it was just older people there. So the consultation has been very wide-ranging and I suggest to Members that this is really just a trick to try and get people to put off this debate. This is a sound debate that has been well researched and I urge Members to reject this reference back.

1.2.2 Senator F. du H. Le Gresley:

Before Deputy Southern spoke I was minded to support the proposition. But I think Deputy Southern made a very, very good case for a reference back. One of the things that has worried me about the proposition is the lack of consultation with the public, despite what the last speaker has said. I did not go to Imagine Jersey 2035 so I have not been consulted for a start. I could have gone but I was not able to go on the day. But I would ask Members to look at page 12 and there is a box there and it is titled "The Jersey Social Security Fund" and in there it says: "With regard to Jersey residents who draw a Social Security Pension, over a third receive a pension worth more than 95 per cent of the full amount and around two-thirds receive a pension worth more than 70 per cent of the full amount." This is presumably as at 2009. Now, other speakers - and I think Deputy Southern - have made reference to the fact that women in particular are likely to end up with a pension of less than 70 per cent and what I want to say to Members is in 1995 the Social Security Committee of the day carried out a major consultation with the public called Continuity and Change. In fact they produced a booklet, which I am sorry I have not got with me today, I wish I had, it is 230-odd pages and it was a review of the whole Health and Social Security Fund. Now, in there - and I do not think it has been done since unless the Minister can correct me - there was a projection of the actual amount of pension that the current working population could expect to receive over a period of 10 to 20 years. It was quite a shock to me - I remember reading it - at that time that a lot of people are advancing towards a pension of less than 70 per cent and the figures in 2009 are already indicating that this is going to be a growing problem. The reason it is a problem is because a lot of people are not in a job for life, this is what the Social Security Fund was originally conceived to be, a job for life ...

The Deputy Bailiff:

Senator, I must ask you to come back to the question.

Senator F. du H. Le Gresley:

Well I think it is relevant because I am going to tell you that for Continuity and Change, the Minister and his officers went around 12 Parishes, held meetings with the public and meetings in other locations with the elderly, *et cetera*, to make sure that what they were proposing - which was eventually a 0.5 per cent increase over 5 years to top-up the funds - that it was proper consultation. Now, in those days there were not things like Green Papers or White Papers but I think the Deputy is absolutely right that while we may end up with exactly what the Minister is proposing, we have to consult the public and I do not believe that the 32 per cent who said an increase in pension age in the last Annual Social Survey is sufficient grounds for us today to vote on this. So I will be supporting the reference back.

The Deputy Bailiff:

May I just say to Members that the Minister's position as it appears to me on consultation is set out at page 13 in relation to Jersey public opinion. It may appear elsewhere in the report and proposition, but on page 13, paragraph 3.3, the proposal from Deputy Southern for a reference back is that this is not sufficient. It should not take very much argument and debate as to whether it is or is not sufficient because I expect Members will have formed their own view already and so I implore Members, because of the length of the agenda, to keep their speeches very concise on this point.

1.2.3 Deputy M. Tadier:

I appreciate that advice. I will be speaking as to the merits of having a Green Paper and also what I think information, up until now, has been lacking. Let us put this in context; no one in this Assembly and I think in the wider public is saying that there is not an issue that needs to be addressed here; let us not call it a problem of an ageing population, but of course there are serious demographic changes that are taking place that affect social security. But they do not simply affect social security, they will affect education in the Island, as to the demographic changes, and they will affect the healthcare system; but that has been acknowledged. Now, let us look at what those 2 departments have done. We know that health care needs to change, the direction in which it changes is obviously a controversial one and different Members and different elements in society will have very different views and be protective of course about maintaining a very good high standard of health care, whatever the changes are made. So what do we do? Because it is a change that is going to affect society right across the board, we say that it is an important issue that affects the whole of the Island; we have a consultation and we have only heard last week that Health - quite rightly - are going down the route of a Green Paper, a proper consultation which will be followed up, of course, by a White Paper. We know that there are very big changes in education, I know this is something that the department and the Scrutiny Panel is committed to looking at thoroughly, putting our heads together to come up with the best solution. Of course the proposal there and the correct route to go down is to have a Green Paper and to have a following White Paper, which we will take in consultation with Ministers, with the Scrutiny Panels and with the wider public in a meaningful way. So the question I would ask is why should this be any different? Let us not get bogged-down with who attended this Saturday meeting, the fact that a meeting took place on a Saturday is completely irrelevant if those who attended it were not representative of the public; because of course even those who are of working age still sometimes have to work on Saturdays, other people have different commitments. It seems quite clear that the far-reaching consequences, unintended or intended, have not been discussed by wider society. It has already been said, quite rightly I think, in the editorial in the *J.E.P.* that not enough consideration has been given to this and I certainly know - as a States Member - I do not feel I have had the time because we have been dealing with a very heavy agenda with the Island Plan, *et cetera*, States Members all working on their own particular agendas as we try and get business on the Order Paper before the summer recess. So I think that really when we are dealing with such an important issue there are 2 issues first of all that need to be addressed. First of all it is one of respect for the public. It is absolutely incorrect to try and put through this kind of proposal and it may be correct, at the end of

the day. Quite likely it will need some tweaking or it could be that there is a third option or another option that needs to be looked at which is much more desirable. It is also about best practice; this is simply not the way we should be doing government, it has already been said that changes of this magnitude should be done in a proper manner through a formal Green Paper. I think that is really all that needs to be said. I have already highlighted my concerns about the fact that not enough examination has been given to the various impacts and again potential unintended consequences on different socioeconomic groups in society. So I think the case has been made, it is not a wrecking tactic at all. It is quite correct that if we feel that not enough information, not enough consultation has gone ahead, that is what the reference back is for and so I would urge Members to support this and then certainly if you support the Minister make the case during the consultation, but go back to your Parishes and consult with the people and I think we can come up with a more meaningful way forward. It does not need to be rushed, it is being phased-in anyway, it is 2 months every year. It really does not matter if we hold this up for one more year to look at it more thoroughly and come up with a proposal, which can then be rolled-out over the next few years in conjunction with all the changes that are going on in the health service, in education. These things are all interlinked and I think proper consultation would be more valuable than making a decision today just for the sake of making a decision.

1.2.4 Deputy T.M. Pitman of St. Helier:

For once I think I can stay in your good books by staying completely on subject. I just really would like to begin by saying I wish more Members would listen to Deputy Southern sometimes because he made an excellent speech, probably the best speech I have ever heard him make. Very few people do facts better than the Deputy; we do not agree with everything but I think he has made his case very strongly. What I was going to focus on - and if we do not reference back I will be focusing on - is a key issue which is about valuing older people and their - and indeed our - quality of life. Because that is what this is all about. So when I heard Senator Routier dismiss this as a trick "the oldest trick in the book" I found that very disappointing; possibly it sums up why his approach as Minister for Social Security was viewed as so slapdash. How can it be a trick to want to make informed decisions with all the information you need? Because I certainly believe - possibly like Deputy Southern believes - the information we have had in support of the Minister's proposals, people were largely led in the response they gave by what was put to them and how it was put to them. Now really is a delay to ensure a Green Paper and all that information going to be a positive or a negative? To me it can only be positive and I would really end just by simply urging all Members to support this. This is not a political ploy, as far as I can see, it is just about making sure that a very, very important and far-reaching decision is the right one. This is people's lives we are talking about and, as Deputy Tadier really summed it up, we are talking about 2 years that could be the worst working years of someone's life or the best years of retirement. I think we really need to take that decision with every bit of information we can gather, and I really do think that Deputy Southern deserves support on this.

1.2.5 Deputy I.J. Gorst:

I hope you will give me a little bit of latitude because the reasons why a Green Paper, in my opinion, is not necessary are myriad. I should say when I read the *J.E.P.* on Wednesday evening I thought for a moment that Deputy Southern was the guest editor that night, but strangely, reaching a completely different conclusion that the editorial did some weeks earlier when I originally launched the proposition, but there we are.

[11:30]

I suppose that is life, as they say. I do find it surprising that Deputy Southern should make this proposition but also disappointing. He, as I have said earlier, spent at least 15, if not 20 minutes, outlining to Members the consultation, the questions that have already been asked of the public. If we look at our sister isle they have undertaken a consultation and they got the responses and they

still, their States, had the courage to make the inevitable decision to increase the pensionable age. The Deputy asks that a Green Paper should put forward the various options outlined in the actuarial supplementary report. The reality is, and I believe the Deputy knows this, that those options are not options that we are going to be able to pick between; they are options that we are going to have to introduce them all. Contributions: the *J.E.P.* sometimes accuses me of being the Minister of Bad News; I am happy to wear that hat because the reality is that we will have to raise contributions to keep our pension sustainable. I am not afraid to bring forward those raises in contributions at the appropriate time. The reality is that we will have to raise the pensionable age in line with the increases in longevity. The reason I bring this forward now is because individuals must have time to prepare for those changes. Members have said we can put it off, we can consult for another year, we can find out what people want. The response will be, as I freely admit it in my opening speech, that in actual fact do I want to work longer? No, I do not. Do I want to alleviate the growing burden that I am going to pass on to my children if I do not work longer? Yes, I do and I believe that we must be responsible. Must we not just think about our community today? Yes, we must but we must also think about our children and our grandchildren and we have a responsibility to make these decisions in a timely way so that members of our community can prepare themselves. We were also told that we should wait until the census; not directly part of this reference back but I can tell Deputy Le Claire my department already knows how many people are in receipt of the Jersey pension. We pay it out week in, week out, month in, month out, year on year. We know how many pensioners there are in our community receiving the Jersey pension. We do not need the census to tell us how many there are. I feel I cannot let this, what I can only believe or suspect was a disingenuous comment by Deputy Southern, and that was that he paraded before this Assembly that perhaps we could downrate the value of the Jersey pension. I quite clearly said in my report I am not prepared to do that and I stand by that commitment. **[Approbation]** Much to the distress, no doubt, of Senator Shenton I will not bring forward such a proposition to this Assembly to downrate the value of the Jersey pension. In fact I will touch on it now, it is slightly ...

The Deputy Bailiff:

What has that got to do with the consultation?

Deputy I.J. Gorst:

It has got quite a lot to do with it because the Deputy suggested that we could consult with the public and one of the options that we would consult with was downrating of the Jersey pension and I am not prepared to do that. Members are saying: "No, he did not." Yes, he did. You listen very carefully to what the Deputy said, he said: "We could look at the indexation of the pension because it would save more money." I am not prepared to do that and in actual fact I am shortly to be meeting with a Member of this Assembly to see if we cannot improve that indexation, but we need to look at the costs and the implications of that, not to reduce it. Let us remember if we do reduce it all, in effect, we are going to do is lead to the concerns that Senator Le Gresley has and that is increase the budget of income support. It is not appropriate, in my opinion, that we should be doing that.

Deputy M. Tadier:

Sir, can I ask a point of order? I think it is a point of order. The Minister is suggesting that he does not want to consult on one particular issue but if the reference back is agreed on the terms of a Green Paper being necessary it is not within the Minister's rights to say what he will or will not consult on. Surely all the options in a Green Paper should be put on the table.

The Deputy Bailiff:

It would be a matter for the Minister as to what he consults on and he then has to justify that consultation to the Assembly when he brings the proposition back.

Deputy M. Tadier:

Sir ...

The Deputy Bailiff:

Excuse me, so it remains a matter for the Minister. I have 3 Members wishing to speak. I hope that that will be an end to it. The only question for Members is whether or not it is necessary to have a Green Paper in order that Members are informed before they take this position. It really should not lead to any lengthy debate. It will bring the Assembly into disrepute with the public if they think that there is a full debate on whether to have a debate. Now, Senator Ferguson.

Deputy I.J. Gorst:

Sir, sorry, I have not finished it with the point of order.

The Deputy Bailiff:

Have you not finished, Minister? I am sorry.

Deputy I.J. Gorst:

Yes. I go on, the options put forward in that supplementary report, which the Deputy wishes me now to produce a Green Paper on, they are inevitable. As I have said contributions will rise, pensionable age needs to rise and while I am on the issue of bad news I suspect contributions are going to have to rise as well to pay for the increased costs of health, not to mention the fact that I am also proposing a contributions rise so that we can deal with the issue of funding long-term care for our community. I am in favour of discrimination legislation. I have said that up-front in this Assembly. I have said that I agree that regulations and laws need to be amended so that we can ensure that our older population are encouraged and then able to work. This is not putting it off for one more year. We must have the courage of our convictions. We must do what is right. We must protect our future generations. We must protect the benefit of pensions paid to pensioners and I am afraid that we would simply be putting off the inevitable and I have a suspicion that the Deputy just does not want to do this and he is trying to find a mechanism to enable him to put it off to the future. I cannot be part of such a decision. Thank you. **[Applauding]**

Senator S.C. Ferguson:

I cannot follow that, Sir. I will withdraw my application to speak.

1.2.6 Deputy R.G. Le Hérisier:

Again, I am very impressed with both speakers, Deputy Southern and the Minister. I think they have both dealt with the issues robustly. I think there is a selling issue. I think Deputy Southern did an excellent detailed analytical deconstruction but that of course is not necessarily to say he successfully undermined the underlying philosophy which the Minister was trying to put. I think the Minister's underlying philosophy, oddly enough, still stands but I think Deputy Southern brought up some very good points which, if they are expanded upon, if they are worked through I think they will ultimately... because there is no way the public will ever logically buy this. We saw what happened when the French were asked to go to 62; it led nearly to a re-run of the French Revolution. The idea that the public are going to buy this, in its current form, is I think naïve and simplistic. I have no problem with pushing the case if it is fully expanded; if issues like what you do with different kinds of workers, what you do with the change in the working culture that is entailed, how do you run this without a discrimination law and issues like that are more fully addressed. I think the Minister will find they are more fully addressed. He might well be more successful in an admittedly very difficult climate in which to sell these kind of issues and the much bigger issue of intergenerational transfer, which we are finding with the credit crunch when we are transferring massive debts to our children and are we doing it also through the social security system? These are major, major issues which do need to be discussed with the public and I do not buy Senator Routier's line. I think by putting these issues honestly to the public, yes, we will never get unbridled enthusiasm; it is not in the nature of the issue. I think by doing this we will

ultimately not make it easier for the Minister but it will pave the way for a much more mature discussion. I am surprised, I have to say, that this was not picked up as a Scrutiny topic and stopped in its tracks at that point, given that the chair of that panel is the excellent speaker. Thank you.

1.2.7 Connétable D.W. Mezbourian of St. Lawrence:

I am pleased to pick up on the last comment made by Deputy Le Hérissier because Deputy Southern is the chairman of the panel that keeps an eye on the Minister for Social Security and his department and I am the vice-chairman. First of all what I would like to clarify to the House is that Deputy Southern has made this reference back as a Private Member. He is not acting on behalf of the Scrutiny Panel. The discussion that we have had within Scrutiny is in fact whether or not sufficient consultation had been undertaken by the department. Based upon the response that we received the panel is aware, as other Members may be, that there is a code of practice on consultation. I am taking an opposite view to Deputy Southern based on the code of practice on consultation, which I believe is ambiguous. We are told in that that we should avoid inflicting consultation fatigue. For a start, clearly, we have the Green Paper just issued from Health and I believe that one is on its way shortly from the Education Department. Let us remember that one of the summary parts of the code of practice is to avoid inflicting consultation fatigue. But I do not want to speak for long; I just want to make reference to a comment that the Minister made, which was that Guernsey consulted on increasing the age and yet they still made the decision to increase the pension age, having undertaken the, maybe, depth of consultation, which I think the department has not undertaken. I come back to another area in the code of practice, which is quite clear that: "Consultation is not a panacea for uncomfortable decisions and should not be undertaken unless people's views will make a difference." We are also told within the code of practice that: "If Government believes that it has to follow a particular course it should not consult." Therefore, I believe that the reference back by Deputy Southern will not come up with any results which will make the difficult decision that we have to face any easier to make and I believe we should be making it today. Thank you. **[Approbation]**

The Deputy Bailiff:

I have 3 Members who have indicated they wish to speak; before they do so I repeat that the only issue for Members today is whether they need further information in order to debate this substantive proposition. If there is anything that can be said which is relevant to that then Members no doubt will say it. Deputy Martin.

1.2.8 Deputy J.A. Martin of St. Helier:

I did put my light on straight after Senator Routier because of the oldest trick in the book remarks. Let me just preference what I am going to say with I think eventually and very shortly it will be inevitable, and I have 3 children who this will all affect, that pension age or some way we do things needs to change. What I do not agree with is the ... as you yourself, Sir, on page 13, 3.3, Jersey Public Opinion, to say that Imagine Jersey was as good as a Green Paper **[Laughter]** and I will go further, and I will make my remarks to Senator Routier, and I would say 75 per cent to 95 per cent, and I was there all day, were at least pensionable age so this would not affect them. Just to remind everybody in this House as well, who are sitting there stamping their feet, it will not affect you and it will not affect me either. It is very easy to say: "Do you want to work longer?" It will affect very few. Are the rest of us going to declare an interest? No.

[11:45]

Do we need consultation, a Green Paper out to the public? Yes, we do. The Minister has said it has been done in Imagine Jersey; I say rubbish. Secondly, I say the Social Survey only goes to selected households and only had a 50 per cent response rate. What happened? How many times

have we heard in this House, and I fully respect the initiative of J.J. Le Marquand, when he brought in social security in the first place, and there was fighting in the street. **[Interruption]**

The Deputy Bailiff:

Would you please let the Member ...

Deputy J.A. Martin:

Oh, well, I am sorry. Then again I get the wrong name because I should have asked an historian ...

The Deputy Bailiff:

Deputy Martin, will you sit down. I say to all Members that this debate will go more quickly if you allow Deputy Martin to speak. Thank you.

Deputy J.A. Martin:

Yes, sorry, I did ask who introduced it and Deputy Duhamel told me it was J.J. Le Marquand. Whoever introduced it based **[Interruption]** ... he was not very good on it, I was not born here and I was not there at the time either. I have just heard that name obviously. He opposed it and obviously we have Deputy Southern who is now then the J.J. Le Marquand of this debate, obviously but it is not the same. There are many issues that have been brought up that have not gone out for consultation. Why not this? We - myself and Deputy Le Hérissier - worked on the long-term care. We could have proposed long-term care from Mr. Forder's opinion; it is 5 years ago. Who is bringing it in? Who is advising Social Security? Mr. Forder, and he has had a Green Paper and he is having a White Paper. It has been late; it has taken 5 years. It is more money. Whatever way you look at it, it is either people working longer, different people paying money for longer and you do not think ... we all sit here stamping our feet. As I have already said... and the people at Imagine Jersey 2035, let them work longer and let them pay more and it never... and it will not affect any of them who said it. Do you think that is fair consultation? I premise this and I probably know... to the Constable of St. Lawrence: do not consult unless you think people's opinions are going to make a difference. But what I do want put in this consultation paper, Sir, and I know that this debate is really angering you; you have said that we will bring this House into disrepute with the public if we have debate on the debate. I can assure you, if we do not have a consultation on raising the pension age we will have disrepute from the public. **[Approbation]** I am sorry, we will have revolutions in the street. I am sorry, I am convinced that we do need to go out to the public, we do need questions answered and the main one I want put in there is exactly what Deputy Southern said. I wrote it down before he mentioned it: "Equal up", someone who is ill from the age of 63. People who work as stone masons, labourers, roofers, people who cannot work until 63; are we going to be paying them more in long-term sick, incapacity benefit and everything else because you are going to try and force them to work? No. It has not been added up, there is no consultation and I really think everyone who has got an interest in this House that it does not affect: "I am happy", Jack or Jill or Happy-Clappy. You should declare an interest or you should not vote or you must abstain. It must be a reference back. I have kept to the point and I do not think this House will be in disrepute on having a lengthy debate on whether we have a Green Paper or not. We want consultation and I want the input from the public. I want them to know exactly what is expected of them but Deputy Vallois may speak and it will affect her, but she wants them other laws. I do not want people in their homes who want to work over 65. I do not want them discriminated against but I want it fair and I want the people out there to know what is coming. This has been slid-in under the radar. The Minister, he said 5 times: "I will not, I will not, I will not." I did not realise he was already the Chief Minister and it is not I will not, it is what we want and it is what the public want. I am very sorry, when I came into this debate I think I was a little bit unsure whether I want to support this and now I know I definitely will not, with the arrogance and the: "We have consulted", never and this is not consulting. Even you, Sir, found one

paragraph on page 13, 3.3 and that is about as many people who have had an input into this consultation. Thank you.

The Deputy Bailiff:

The issue is whether Members will be helped by having a Green Paper published and Members will be able to form their own views about that and that is what we are debating today at the moment and that is the limit of the debate. The Deputy of St. Mary.

1.2.9 Deputy D.J.A. Wimberley of St. Mary:

I started out with the same position as Senator Le Gresley on this whole issue and, as Deputy Martin has said, I have moved quite a long way in the course of this debate. The Minister said, firstly, that this was an inevitable decision. That may be true; in fact I personally think it is true, but that is not the point. The point is that we have to take the public with us on major issues like this and particularly personal issues like this. There is a value in consultation itself. The Constable of St. Lawrence said that there was a danger and the code of practice says that one has to be aware, departments have to be aware of consultation fatigue and they have to be careful not to consult when the answer is known. But it also says, that document says, that Green Papers are a must with major policy initiatives. I do not think there is a way round it. I think it says that on the first page and then it points out the various dangers. I think that document does not carry out quite the weight that she put on it and I will just reiterate there is a value, intrinsic value in engaging with the public and taking them with you or, in this case, they might even say: "Get lost" but I think that if the issues are set out fairly then the decision may very well be seen to be inevitable and other measures too, but you cannot leave that out. The Minister made an astonishing statement in his speech. He said he was not prepared to consult on downrating. He was not prepared to consult on downrating. I happen to agree personally with what he says in his report. I happen to agree personally with what he says in his report on downrating. I do not think, at the moment, that it would be the right way to go but how extraordinary it is of him to say that he does not want to know what the public might think about that formally in a Green Paper environment. There has been no consultation specifically on raising the S.P.A. (States Pension Age) and the nearest we get to it is the social survey in 2009: "How acceptable or not acceptable are the following options?" Remove the cap, 52 per cent; percentage rate of contributions going up, 38 per cent; raising the State Pension age, 32 per cent; means testing 28 per cent and reducing the value 18 per cent. On the basis of that survey you would not necessarily go for raising the State Pension age as the first option because it comes in third, so what consultation there has been points to a different conclusion. It points to an emphasis on the cap and on what we do around raising contributions beyond the cap but that does not even appear in the summary of recommendations on page 7 of the report. I have just looked for it; it is not there. That is strange because it was the top option in the consultation such as has been carried out through the Social Survey. Even what has been carried out seems to have been put to one side, which is very strange. I think there is an issue around people who have to leave the workforce earlier such as policemen, and the issue of manual workers to which others have referred or high-stress occupations. To say, as they do on page 20 I think; I will just find what they said about this in Guernsey: "The great majority of Guernsey's labour force was not engaged in heavy manual labour and it would be wrong to base pension policy on concerns for a small minority." It might be wrong to base the policy on a small minority but it would not be right to ignore that small minority, those whose jobs do not allow them to carry on to 65, let alone 60, and also of course the issue of stress or badly designed chairs in offices or whatever. I think that small minority does have to be looked after and has basically been brushed ... not brushed aside. What this document, the report, then goes to say: "It was suggested in Guernsey that the special circumstances of the minority could be accommodated by other means." But then we do not hear specifically what the Minister proposes for that. Then on the same page he quotes the Pensions Policy Institute: "Concluded overall that life expectancy has improved enough on average for an increase in the pension age to be justified, taking into account the other means that could be used to support those

who would be worse off by the change.” There is a compensatory element there and I do not think we have enough information on that. Finally, the gender issue, which I think a couple of people have raised; we should not let that out of our sights and I think there is a major issue around that, about the different entitlements of women and men because of their different contribution records, because women take the lion’s share of looking after their children and I happen to believe that that is the right thing we should be encouraging. But that raises issues around entitlement of course to pensions, and I do not believe that even appears in the report. I do not think I have seen anything written seriously about that or even at all. On those grounds I do think the information is very deficient, particularly the failure to formally consult in the sense that what consultation there has been has been set to one side. Lastly, the Minister said: “Timeliness - we must get on with this.” He is sort of right. Maybe, as Deputy Martin suggested, we should have started this process a few years ago but the fact is that his own proposal starts in 2020 so he does have time to do a Green Paper, a White Paper, to come back in a year’s time with the public behind the solution and not being told what to do. Thank you.

1.2.10 Deputy P.V.F. Le Claire:

I will try to be as succinct as I can. I thought Deputy Martin’s speech was excellent, along with the Deputy of St. Mary’s. Touching back to the Constable of St. Lawrence, she said: “Unless we have people’s views that will make a difference there is no point in consultation and there is a risk of having consultation fatigue.” I think that is absolutely 100 per cent right. There is a risk that we have consultation fatigue among the public when we ignore what they say and when we take the select groups that they have been taking over the last few years and use that instead. I think the Minister may be worthy of the cap, as he puts it, of having the cap of bad news but he has also, at the moment, got a bad view and, in particular, I refer back to his remarks in relation to what we would gain from a census and in relation to the consultation, because I am going to support the reference back. I think absolutely this is the debate. This is the vote. This is not a marginal old trick in the book, as Senator Routier says. This is the vote right now. This is whether or not we believe that these issues go before the public and this is the vote that will count; not the end vote because a lot of us that are standing up and saying: “We do not disagree with the Minister but we just feel that the way that it has been gone out is completely wrong”. Factually, rather than imaginarily, if we take a look at what has been happening is that we have had a Council of Ministers that has been bent on using an imaginary number of 150 heads of households, which gives us 325 people per year, as the *raison d’etre* for all of their policies coming forward. We are using cognitive bias, deliberately ignoring evidence for the public and for us in their policies in relation to published information from the States Statistics Department, which the Chief Minister replied in an email to me this year: “Who are an independent professional body of people.”

[12:00]

The States Statistics Department has presented Jersey’s residence population for 2009 and if you look at the published information, which you have all got but we are ignoring deliberately - or we are being told to ignore deliberately - it is not 325 a year which would give us concerns about the demographic shift that has been coming into the Island, which is what we set it at to manage our population below 100,000, which may give us cause for concerns in these areas. What has been happening is we have had much, much more. We have had 725 per year instead of 325 per year over and above births and deaths for the last 4 years, which is 400 above the 325 we set in the States Strategic Plan. Over the last 5 years - they want us to ignore it - it has been 640 a year. They reset the figures under the new States Strategic Plan. Now we are being told, and Senator Le Main mentioned this in one of his communications to me a second ago, they want more money, they want to raise the contributions. We do not want to do anything about rationalising the States set-up or the hierarchy of the ... I was only just recently commenting and the Minister was in agreement with me. Where did he find the £7 million to give to the Minister for Health and Social Services if he does not have enough money?

The Deputy Bailiff:

Consultation.

Deputy P.V.F. Le Claire:

On the consultation, Sir, I completely agree that we should have a better cognisance of the numbers of people that are within the Island, not only for the gender issues that have been pointed out by the Deputy of St. Mary but also because, contrary to the Minister's statement that his department has all the numbers and they know who are presenting themselves for retirement, they are not working with the numbers of people that are going to be present when the statistics are put before us. Finally, this is an email I received at 10.16 a.m. this morning from the Head of Statistics. I asked him: "When exactly will the data from the census be published?" His response - and I have circulated it to States Members, those Ministers with BlackBerries would have seen it already; those without will have to go back downstairs and look themselves and a miss a vote and be blamed by the media for not being here: "I am aiming for the census headline results total population page 6 distributions to be published around year-end 2011. I have said this consistently over the last year or so." So we have got the statistics coming out, the work is being done, 98 per cent return. If we are talking about working on information that has got a high level of return, I would much rather prefer to work on a 98 per cent returned census than a 52 per cent returned voluntary survey that does not carry any financial penalty if you ignore it. The Social Needs Survey was 3,200 people. Imagine Jersey was a room full of people with a managed outcome. Group think, manage the outcome, let us get what we want. Let us pretend it is the consultation. Oh, we will have lots of that. That is the oldest trick in the book, Senator Routier next to the then oldest trick in the book, which is called democracy. Let us listen to what the people think. Let us give the Minister for Social Security the 4-year portfolio instead of the 4-month rundown period that we are witnessing today.

Senator P.F. Routier:

May I raise the défaut on Senator Maclean?

Deputy M.R. Higgins:

Sir, can I object to that because Senator Maclean is coming in, 10 minutes into a debate, he is going to vote on it and he has not heard any of the arguments whatsoever.

The Deputy Bailiff:

It is proposed the défaut be raised on Senator Maclean. All Members in favour, kindly show? The appel is called for. I invite Members to return to their seats. The vote is on whether or not to raise the défaut on Senator Maclean. I ask the Greffier to open the voting.

POUR: 34		CONTRE: 3		ABSTAIN: 1
Senator P.F. Routier		Senator F. du H. Le Gresley		Deputy G.P. Southern (H)
Senator P.F.C. Ozouf		Deputy T.M. Pitman (H)		
Senator T.J. Le Main		Deputy T.A. Vallois (S)		
Senator B.E. Shenton				
Senator A. Breckon				
Senator S.C. Ferguson				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Connétable of St. Clement				

Connétable of St. Peter				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérissier (S)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy I.J. Gorst (C)				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy A.T. Dupré (C)				
Deputy A.K.F. Green (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

Deputy P.V.F. Le Claire:

On a point of order, Sir, Deputy Higgins’ machine is not working.

The Deputy Bailiff:

As I understand it, Deputy Higgins did not register a vote. In those circumstances, I could declare the first vote void and we will take it again. In light of the very substantial majority, it does not seem to me to be appropriate to do so, so the défaut is raised. Now, no other Member wishes to speak on the reference back and so, Deputy Southern I ask you to sum up.

1.2.11 Deputy G.P. Southern:

Is it appropriate that this issue comes to this House in the form of a Green Paper and is consulted on by the public? Absolutely, I believe, absolutely the case that it should be. To refer to Constable Mezbourian, first of all she is, as she said, on our Scrutiny Panel and I would dearly have loved to take this issue on as a Scrutiny project. It would probably have taken me 6 months to produce a report and the fact is we are already doing 2 Scrutiny reports that we intend to finish by July. The fact is that with the load on Scrutiny, there is no way I could have done a decent job of producing a report to scrutinise what was being proposed, in which case Members would have seen the full range of the options and the full consequences of those options in my report on which they could base a sound decision. That is not the case and will not be the case unless we get the consequences of a variety of actions, some of which the Minister is absolutely ruling out and saying: “I intend to do this.” We will only get that if we get the Green Paper looking at the options. As the Deputy of St. Mary said, we have the time to do that; it is not impossible. So the fact is I would love to have taken it on and we would have had a report but simply physically not sufficient time or resource to do that, but that does not deny that this is an issue which wants full debate, full consultation, otherwise, as many Members have said, we will not take the public with us and we have to. The Dean said earlier this is compulsion. It is the compulsory raising of the pension age without any other measures in place and a 10-year programme to: “Oh, we will do some of those later.” Why, one has to ask? The fact is that major policy decisions affecting a broad cross-section of the community in the code will need to be the subject first of a Green Paper and subsequently a White Paper so that everybody knows what they are doing. Senator Routier says that all I am doing is playing dirty tricks. I deny that absolutely. This is an issue of serious concern to everybody on this

Island. Given that I cannot call this in to do Scrutiny because I do not have the time, the next best option is a Green Paper so we can go forward knowing the consequences of what we propose and all the options. This is absolutely vital for this House if it is to have the respect of people out there. Senator Le Gresley made the point, I think, among many others, that the issue of people unable to claim a full pension and having that extended to a later age, having to work longer before they can claim that part pension, is something that needs consideration. He also pointed out that *Continuity and Change*, which preceded the last change we made, which was to increase the contribution level by half a percent for employers and employees over a 5-year period, got massive consultation. It took ages to get through: "This is what we want to do" and yet here we are extending the retirement age without a by-your-leave. It seems almost certainly on the back of very, very minimal consultation. Deputy Tadier made a number of points that I wrote down at the time and, as far as the people understanding things, I have just seen a report from the Pensions Policy Institute of the U.K. where this debate has been much more widely consulted on, which suggests that 40 per cent of workers do not even know what changes to their pension age are likely to occur and they have already got those changes. So people out there are not aware of this issue particularly and are not prepared for action now and certainly not this action. The Minister for Social Security obviously made a resolute defence of his position but it comes down to, do I want to work longer? Of course I do not but the question is, he said: "What I want to do is enable people to make the choice to work longer" and what he is proposing is not about choice; it is not about an anti-discrimination law and it is not about improving incentives and making sure people are trained and can get part-time jobs as they approach retirement or work into retirement. It is not about that at all. That is not in the proposition. It is about compulsion. This is not about choice, this is about you have to wait an extra 2 years to get your pension. For everyone under 50 out there listening, that is exactly what we are about to vote on and we are about to vote, I believe, without understanding what the consequences are. Deputy Le Hérisier reinforced that and said that Green Paper is the way forward and that consultation and this decision in the House should be informed. I welcome the contributions of Deputy Martin, the Deputy of St. Mary and Deputy Le Claire and I just want to finish on this brief point. In the G.A.D. paper - of which very few people in this room are aware and very few indeed in the populace are aware - there are a number of tables. The proposal to change the pension age does the following. It suggests, for example, that with 150 heads of household a year immigration in 2016 the breakeven rate is 10.8 per cent. We are paying 10.5 per cent. By 2016, we are already falling behind the rate. That rises through the decades 2026, 13.5 per cent; 2036, 16.4 per cent; 2046, 16.5 per cent; 2056, 16.8 per cent; 2066, 17.3 per cent as the contribution rate needed to keep the pension fund working. If we go ahead with this proposal as the starting point, and if we vote on this, those figures become 10.8 per cent as we have already said, 12.8 per cent, 14.9 per cent, 15.6 per cent, 15.4 per cent, 16 per cent. So a rate in 2066 of 17.3 per cent or a rate of 16 per cent. The change is relatively small, 1.3 per cent difference. Look what happens if you consider ... and this is all we are talking about for the Deputy of St. Mary personally, his personal reaction was: "Let us not go there" but let us consider it. What happens to the rates? The rates look as follows. In 2016, 10.3 per cent; 2026, 11.3 per cent; 2036, 12.2 per cent. Notice it is going up relatively slowly. 2046, 11.9 per cent; 2056, 10.9 per cent; 2066, 10.5 per cent. It is back where we started. Now, I personally am not suggesting we go down that route but between 16 per cent and 10.5 per cent, which is what we are paying now, in 2026 I think we should be giving consideration, and the public should be giving consideration, to a proper balance in the light of those facts of how much they want to pay in extra contribution and how much they wish to change the indexation of the pension fund. They should be making that in an informed way and we should be making that in an informed way and at the moment, we are not.

[12:15]

There has to be a choice, I use the words of Minister for Social Security himself: "A proper balanced approach" between those options and where the balance is that the public wish to do, pay

more or take less? That debate needs to be had otherwise we lose the populace, I believe. I support my reference back and call for the appel.

The Deputy Bailiff:

Very well, the issue is whether or not the proposition should be referred back to the Minister in order that Members might have, at a later date, the results of consultation from a Green Paper, which the Minister would publish. I invite Members to return to their seats and ask the Greffier to open the voting.

POUR: 19	CONTRE: 32	ABSTAIN: 0
Senator A. Breckon	Senator P.F. Routier	
Senator F. du H. Le Gresley	Senator P.F.C. Ozouf	
Connétable of St. Helier	Senator T.J. Le Main	
Connétable of St. John	Senator B.E. Shenton	
Deputy R.C. Duhamel (S)	Senator J.L. Perchard	
Deputy of St. Martin	Senator S.C. Ferguson	
Deputy R.G. Le Hérisier (S)	Senator A.J.H. Maclean	
Deputy J.A. Martin (H)	Senator B.I. Le Marquand	
Deputy G.P. Southern (H)	Connétable of St. Ouen	
Deputy P.V.F. Le Claire (H)	Connétable of Trinity	
Deputy S. Pitman (H)	Connétable of Grouville	
Deputy K.C. Lewis (S)	Connétable of St. Brelade	
Deputy M. Tadier (B)	Connétable of St. Martin	
Deputy of St. Mary	Connétable of St. Saviour	
Deputy T.M. Pitman (H)	Connétable of St. Clement	
Deputy T.A. Vallois (S)	Connétable of St. Peter	
Deputy M.R. Higgins (H)	Connétable of St. Lawrence	
Deputy D.J. De Sousa (H)	Connétable of St. Mary	
Deputy J.M. Maçon (S)	Deputy J.B. Fox (H)	
	Deputy of St. Ouen	
	Deputy of Grouville	
	Deputy of St. Peter	
	Deputy J.A. Hilton (H)	
	Deputy J.A.N. Le Fondré (L)	
	Deputy of Trinity	
	Deputy S.S.P.A. Power (B)	
	Deputy I.J. Gorst (C)	
	Deputy of St. John	
	Deputy A.E. Jeune (B)	
	Deputy A.T. Dupré (C)	
	Deputy E.J. Noel (L)	
	Deputy A.K.F. Green (H)	

1.3 Pension age: increase (P.58/2011) - resumption

The Deputy Bailiff:

The debate now resumes on the proposition of the Minister for Social Security. Deputy Southern, you were speaking. Although you sat down, I think you sat down in the context of wishing to propose the reference back so you are still speaking if you wish to continue speaking. If you have finished your speech, then there are other Members wanting to speak.

1.3.1 Deputy G.P. Southern:

I have a little comment to make, that in the light of a failure to properly examine all of the options and the consequences of those actions and to present a fully informed debate to this House and to

the public and to achieve proper consultation on this major piece of change to our entire working culture, I obviously will not be voting for this shoddy piece of work.

1.3.2 Deputy R.C. Duhamel of St. Saviour:

This policy, in my mind, represents a sticking plaster to stop the bleeding on a suspected compound fracture of the Social Security Department's leg. No future decision has as yet been made on whether the leg can be reset or will be reset, and, indeed, if we carry on in the way we are going, it might well be that the leg turns gangrenous and will require future amputation. When, some months ago, I was asked to attend some meetings by the Social Security Department as to what might be required to come forward with changes to the pension system, I stated - and got a measure of support I thought, from the Minister- that we would be looking at this problem in the whole, holistically. That meant not just narrowing on the very limited focus that appears is the want of this proposition, which is broadly just to set the pension fund straight and right and to tinker around the edges, but to begin to start to look at the problems and how they affect everybody in the light of all the other policy decisions and strategic decisions that will need to be made in order to achieve the best solution to the problem. If we think about things, there is a whole host of other policies. We have got migration; we have got whether or not people are living longer. All these things are really connected and we have got other policies that we are having to endorse and accept on the basis of allowing more people to come in because the number of elderly in the Island will be increasing and due to the pension requirements and other things and their medical care and attention, they will not be as much able in the future to look after their own needs. Now, it begs belief that if we do not link the issues, then we are going to be endorsing a long-term policy of growth and attracting people to the Island in order to try and grow ourselves out of the problem. I find that particularly sad in that we are only taking one look at how we could do this. I was pleased to hear the remarks from Senator Ferguson and a number of others about the pension system and how it came into force by Bismarck in the 1880s, 1890s, so in the time of things, this policy and our acceptance of it, as evidenced by the 1951 Law and the work done by Beveridge in 1945, the whole policy about pensions has not really been with us for very long. Certainly, if we look back over our own lifetimes at the enormous changes that have taken place, even if we only go back 50 years or 60-odd to the end of the war, there have been phenomenal changes in terms of healthcare provision and the upshot is that we are all living healthier lives for longer. As part of that, what I find particularly striking is perhaps the opportunity that modern medicine and genetic engineering and new drugs are hinting at. We are already being told by the U.K. authorities and elsewhere that the number of centenarians within the population is due to rise markedly. That does not mean gradually, that means a step change. With drugs that are coming on to the markets at the moment and in the future, as I said, being hinted at, from the stuff that I am reading, it is being indicated that before long one will be able to look after oneself in the early years after school, perhaps take some special drugs or have further treatment which, at 25 or 30, would give us a lifetime of some 150 years. Now, if indeed this change ... and a lot of people will say: "Oh, this is far-fetched and we do not want to look at it" ... go back 50 years. We did not have as big a computer industry as we have got now. We did not have all of the electronic changes in communication that we have got now and the world was fundamentally a much different place. So the point I am making is that radical change will be forced upon us - can be forced upon us - and I think if I were a betting man, that is what I would be placing my money on in terms of defining policies to take into account these things. Now, I have taken a little bit of time to come round the problem but the key issues that the previous reference back debate, unsuccessfully, began to hint at, was the work that I mentioned almost a year ago with Social Security and, as I said, was promised would be looked into to begin to flesh-out what type of society do we all want to sign-up to in terms of the work ethic? Now, if we look at the figures produced from the report, we were told that in 1951 there was an expectation of having an extra 13 years or whatever or maybe less but a fifth of your working life or thereabouts you would spend in retirement. If we go back to Bismarck, it was less. Now, the expectation was that you did not reach retirement and then we could have minimised the monies

that were required in the pension fund. If we look at the figures that are presented in the report table, in 1981, we have got 14.1 years of extra life on average after we hit 65. So that is 17 per cent, almost 18 per cent, of our working life we will be retired and that already in 1981 was a huge difference to what we had in 1980 or, indeed, 1945 or 1951. In 2010, we are expecting 21.5 years after retirement which amounts to a retirement period which comes to getting on for 25 per cent - a quarter of our lives twiddling our thumbs, playing Nintendo or surfing at St. Ouen. By 2030, if we support the proposals by the department, the proportion of time that we spend retired goes up to almost 27 per cent and, indeed, the 2050 mark pushes that up a bit further to 28 per cent. Now, 2050 is quite a way off and I suspect that if, indeed, the medical provisions and the industry come forward and allow us all to live, as is being claimed now, to at least 100 years, then the 85 or 86-year mark that is the current expectation for life expectancy will be clearly surpassed. That means we are back to the sticking plaster solution. I am not saying that a sticking plaster solution is not the best thing or the only thing that we could be voting for at the moment but that is certainly what is on the table. If we are going to really solve this problem, as I think this Chamber should be getting to grips with, we should be looking at all the things that the report has only just hinted at in its section 5. That means proper age discrimination legislation, questioning fundamentally why people work, why we have to keep people working if we do not want to encourage inward migration or depletion of the services or more expensive services that would otherwise result. We really have to get to grips fundamentally with the strategic ideas as to what type of society we all wish to support. That is not just the prerogative of the Minister for Social Security. It is all of our interests in this Chamber and we must have an opportunity, I think, to begin to discuss these issues. The Minister is mumbling away and he is no doubt saying: "Be quiet, Deputy Duhamel, I have done the job it is on page 17. I have already referred in my report to the things that we might need to have to do into the future" but I think it is back to front. I think we should have had this debate first to set out in relation to what we all agreed to at the outset of this Assembly and States, which was an adherence to a States Strategic Plan, which said that we had to provide for an ageing population and to take measures to encourage older people to continue working beyond their retiring ages and keep them economically active and less reliant on the public services. That was a headline strategy and I fully expected, when I mentioned to the Minister for Social Security all that a while ago, that a debate would be had in the House on those issues so that we could be quite clear as to the strategic direction that we were all signing-up to upon, which the Minister would have the flexibility, under his executive role, to deliver on the policies to do the things that we all wanted. Now, it strikes me, as I say, that we have got the set-up back to front and it is probably not going to be the first time that we have done this.

[12:30]

I think that really lies at the heart of the comments and the frustration that I think is shared by a number of those Members who voted for the amendment to have a reference back because it did appear, and certainly does appear, that we are setting out a policy, which goes on into the future without really knowing whether that future is desirable, whether it will be changed, whether we want to change it and whether or not this policy is designed to deliver the things that we think might be needed if all of those previous things are true. So although I think we possibly could support a short-term hike in the ages, in my mind, it still does not absolve the department and other departments, so there must be work that is going to be coming to this House in terms of migration and immigration. There is going to be talk presumably and work brought to this House by the Minister for Economic Development and, indeed, the Treasury because a lot of these things have got financial implications. The key core thing that annoys me is that we are still, although we have gone for Ministerial government and we have got a Council of Ministers who ostensibly are working together, we still appear to be working in our own individual silos and not solving the problems in a holistic fashion. I think that is a real shame because whatever comes out as a policy solution will not necessarily be the best or one that is sustainable into the future for the longest or, indeed, one that is supported by the majority of Members in this House or, indeed, the general

public. No doubt, when the Minister is summing up, he will attempt to convince the House that, as stated on page 17, having indicated the bullet points of extra lines of work that will require to be undertaken, he will no doubt assure us that he will make haste as fast as he is able to do so in order to bring forward these other policy options which might, in the face of it, render his proposal to get an agreement on this narrow viewpoint proposition agreed. But I think if he does that ... in fact, he has to do that or otherwise I think a number of Members who are upset at not getting the reference back will be forced to vote against it. Those who vote against propositions do not vote against propositions lightly or for fun or because it is a game or whatever. It is because we genuinely want to be involved in the solving of some of these problems. We think we are here in this Chamber to represent the viewpoint of the public and to ensure that that viewpoint is expressed when whatever solutions that are being mooted are brought forward. If we break those abilities or job functions, then I think we run the risk of alienating the public and the Members from the Ministerial decisions that will be undertaken. The whole process has to be more inclusive. I think it can be and I am hoping that the Minister will take these words on board and assure me and others, as I said earlier, that he will bring forward these other lines of work sooner rather than later because if he does not and in 3 years' or 5 years' time, whether he is here or not, we do get the headline not necessarily in the *J.E.P.* but in the big media papers, that the surprise drug all means that perhaps we are not going to live to 150 each but we are going to live to 200, what are we going to do then because the actual fundamental system that was set up in 1880, right at 45, is the wrong system for the future. We have to challenge that head-on. If providing a pot of money, which is not going to be enough over your working life, which is getting shorter and shorter is not going to deliver, you have not really got that many options in order to increase the funds over and above raising the rates or bringing the age of retirement or pension age to higher levels. But I think if we are going to do that and either course of action is a possible solution, then we have to take into account that perhaps the rise in the pensionable age might well be significantly higher, as is implied on page 17. Perhaps we should have a phased retirement from work instead of being in work one day working 40 hours a week or 37½ or whatever for 5 days a week. You hit 65 and then it is 4 days a week or hit 75 and then it is, I do not know, 3 days a week or whatever. There are big benefits in that type of system in terms of the healthcare provision and the payment of it. These things have to be looked at and, indeed, are mentioned on page 18. So the Minister knows what he needs to do. I am just a little bit upset that he did not bring it in that form first and then perhaps he would have had more people singing from the same hymn sheet.

1.3.3 Deputy T.M. Pitman:

Deputy Duhamel talks about living to 200. Senator Le Main still in the States - what a scary thought - **[Laughter]** still saying Jersey is at the crossroads. Well, I think that Deputy Duhamel made a very good speech. He said a lot of things, sentiments certainly, that are mine. But really Deputy Le Claire said that the vote on the reference back was the key vote and I am afraid that I agreed with him. No joined-up thinking, this is what this comes down to. Consequently, strongly as I feel on this issue and having 3 pages of notes prepared on the issues I felt were important, tackling the issue of the cap, which surely has to be done, taxation issues, fairer taxation issues. The fact there is no functioning discrimination law in place. It really should have come first and it is absurd that it has not. Frankly, I am going to tear-up my speech and just say this. Frankly, I think that this debate really does not deserve the credibility that more speeches are going to give it because it seems to me from the people I speak to that once again with these Ministers, political ideology seems to override common sense and, more importantly perhaps, respect for the people, the public who pay our wages, those people who keep us in votes and not just till 67 or whatever but till we drop dead if we are lucky. As a consequence, I am not going to give that debate any more credibility. Strongly as I do feel, I have torn-up my speech. I am simply going to say that I am going to vote against this because really I do have respect for the people who voted for me and I do value older people and that is something that western society I am afraid just does not do. Where we are today is largely the result of this head-in-the-sand unregulated free market

fundamentalist mindset. Distracting ourselves with lots of shiny little desirable things - and I am not talking about me - distracting ourselves away from the really important issues of life. It comes back to what Deputy Tadier said, 2 years could be the best years of your retirement or it could be the worst 2 years of your life and without considering fully, having full information in front of us with a Green Paper, what we are doing now is we are going to vote without all the information that we need to take a mature decision and I really do not even want to be part of that, but I do not believe in abstaining so I will vote against.

1.3.4 D.J. De Sousa:

I will be extremely brief as always because a lot of what I wanted to say has been said and I will not repeat it. The only things I will say is that I have been contacted by quite a number of people on this issue and a lot of them are manual workers and they have said: "How can I possibly work another 2 years longer? I will be dead." Also, a number of older people have said that they feel a burden on society. What message are we sending out? They are not a burden. They are the people that give us the society that we have today. I will be voting against this proposition.

1.3.5 Deputy C.F. Labey of Grouville:

I did not expect to speak before lunch. I have been in a quandary as to which way to vote on this and I must confess that, unlike the previous speaker, I have only been contacted by one parishioner about the issue. I voted against the reference back because I felt in that position, I think everybody needs to know where they stand and people have to make decisions for their future, they need to budget, and surely it is better to know where they stand with their working life sooner rather than later. The reason why I have been in a quandary as to which way to vote on this particular issue, it is a little bit like asking do we want to pay more taxes, do we want to work longer. Well, no, of course we do not, and I have to say that the Minister came out with some fairly impressive figures to back up his arguments in that in 1951, the average age of mortality was 79, so people enjoyed 12 years in retirement whereas in 2010, people are now living longer which is something which surely should be celebrated rather than looking upon as a curse and a burden. They can now enjoy 21 years in retirement, which is good; it is a very good thing, but somebody has got to pay for that. This is the harsh reality we are faced with today and I can understand a lot of quibbles with people saying the States can save more money and what have you, but that is a separate issue to people contributing towards their pension although I have to say I have some sympathy with that view. What we are voting on today is an in principle decision, an in principle decision to establish an affordable sustainable future for ourselves and not to saddle our children and grandchildren with an added burden and increased contributions. I do not think that it is a responsible society that does that and therefore I will not do that. I will not do that now in the in principle decision but I do flag-up, when this law is brought forward, whether it be by the current Minister or another Minister after the elections, I will flag-up, when this law is brought forward, I am not just going to vote it in as is. I think we do need a discrimination law. I notice the Minister for Home Affairs who has claimed that he cannot afford it. Well, I am sorry, we need a discrimination law. If we are expecting people, 60 year olds, 65 year olds, to go out there and get maybe a softer type job than what they are accustomed to, we have got to tackle this issue. We have got to also tackle things like maternity leave and how parents or mothers are looked upon to continue making their contributions during their maternity leave yet they are not getting paid or some are not getting paid. I want to see figures for the long-term incapacity allowance versus the social security contributions versus low-income support versus pension. It is no good saying: "People that work hard labour-type jobs, oh, well, they can claim long term incapacity if they are lucky." Are we setting ourselves up for a false economy here? Are we setting ourselves up to put everyone on long-term incapacity that has been accustomed to a manual job, top it up with low-income support rather than a pension? We have got to see those figures and I need to see those figures before I will put my name to the law that is coming in. I believe we can vote today for an in principle decision but an awful lot of work has got to take place now to give people the facts, to put in place a discrimination law.

[12:45]

Here we are joined-up Government but the Minister for Home Affairs saying he cannot afford the Discrimination Law and the Minister for Social Security saying people have got to work longer. Well, let us have a bit of joined-up thinking here. So I will support it. It is an in principle decision but I will want to see a lot more work and a lot more facts and figures before I put my name to the law.

LUNCHEON ADJOURNMENT PROPOSED

The Greffier of the States (in the Chair):

Yes, just before the adjournment, I can announce to Members that the proposition P.115 - School Milk: restoration of funding - has been lodged by Deputy Southern and there is an amendment lodged by the Minister for Social Security to the Draft Food Costs Bonus (Jersey) Regulations - P.65. Members of the Assembly will need to address in due course the timing of that debate because it was, of course, scheduled for today and the amendment will not be lodged for long enough.

Deputy I.J. Gorst:

I would rather not do that now if that is all the same with you and we will do it when we get to the main proposition.

The Greffier of the States (in the Chair):

Yes, I was just drawing attention to it. Very well, the Assembly will now adjourn and reconvene at 2.15 p.m.

[12:46]

LUNCHEON ADJOURNMENT

[14:15]

The Deputy Bailiff:

Very well, the debate resumes on P.58. Does any other Member wish to speak?

1.3.6 Deputy P.J. Rondel of St. John:

A Green Paper would have been useful. P.58/2011 is inherently wrong. What is being debated is the increase in pension age for not only those who will seek employment in the future but also those who are already there. This is wrong and, in effect, this proposition acts as a benefit cut against those who are already working. Strong arguments that there is a contractual agreement between the individual and the States. By increasing the age of entitlement, you are discriminating against those in the workforce above a certain age and those below a certain age. This is a dangerous precedent. By implementing this proposition, we are not resolving the fundamental issues; we are merely covering ourselves. It is not sustainable to keep on raising the retirement age to match the demographics of our society. We need to change the demographics of our society. Why is it not sustainable? The Council of Ministers are mistaking life expectancy for the health of Jersey people. Modern science is keeping people alive longer at the end of their life span, which we all know is 3 score years and 10 - or was - it does not make them inherently healthier than they were previously. Therefore, it is not necessarily the case that the human body can physically work until 67, in particular, the greater effect on people from my former industry, the blue collar workers. To ask people to work until 67 in manual labour is simply wrong and should not be done. The lack of diversity the Council of Ministers demonstrated... well, here, their thinking is totally unacceptable, impractical. It is already difficult for elderly members of the workforce to find employment. Are we going to cut them off if they cannot find employment at 65 or thereabouts

until they reach 67? Increasing pressures on elderly members of society to contribute, we have got this the wrong way round. We need a shift in the thinking of society, not merely an increase in the pension age. We need the Council of Ministers to think holistically: suggestions of better alternatives. The Council of Ministers think that inter-generational solidarity will be created through raising the pension age. This is not the case. It will create resentment between the generations where the elderly generations only had to work as at present until 65, while those working to 67 find it difficult to maintain. It will be difficult to maintain employment for a further 2 years despite having contributed the same. If inter-generational solidarity wants to be created, then new initiatives need to be created. The former Chief Minister, Frank Walker, said in *Imagine Jersey in 2035*, that elderly people offer a wealth of experience to society. Therefore why not create a system where over-65s are employed by suitable industries and companies in advisory positions? The work would be less demanding and the pay would be less than employment in a full-time capacity if we regulated this efficiently. By offering tax credits to those over 65, we would reduce the burden on the pension system if this initiative replaced it. Furthermore, there would be no limits on the pension age as long as the employee and the employer were happy. We need to introduce a working party to explore these options. This is just one suggestion. We have not exhausted our options and we should not fall for scaremongering from the Council of Ministers. If they really want to create an integrated solidarity, then initiatives like these need to be explored. We need to start from the bottom up. We need young families to have more children during the time of careers, from both sexes, has to increase. What can we do? How about tax credits where we reduce income tax substantially for families with 3 or more children? How about introducing tax credits for men and women professionals who put their career on hold to have children? We have not exhausted all the opportunities. This is not black and white decisions we are making. What we have is a classic example of the short-sightedness of the Council of Ministers. The proposition does not solve the problems. It just shifts the problems on to the next generation. It is time to stand up and be counted. Now, these are not my words that I have just read out. They are the words of a young person who is just coming into the workplace and I asked him for his thoughts on the proposition and this is exactly what he told me. When I went through them, I thought: "Yes, we have been looking at this from the wrong end. We need to look at the big picture." There is a lot more out there to be looked at and this morning, Deputy Southern's proposition, I thought too few people had spoken, we need to hear a few more Members before I could have supported it. If 18 or 20 Members had spoken, I would have probably supported him because there is a lot more work I think needs to be done out there among ourselves but among the bigger picture, the people out in the workplace today. I am coming up to 65 in a few days' time **[Approbation]** and I will be one of those with a pension and expecting other people to work for 47 years where we have only had to work for 45 to contribute. **[Aside]** Oh, yes, Connétable, I have only worked for X number of years but I have been one of the fortunate ones, but there are an awful lot of people who are not as fortunate as me. Now, I believe that we must put a lot more work into this before we adopt any specific way forward and a Green Paper ... in fact, I am sorry that the Scrutiny Panel concerned had not scrutinised this and taken it in because I know they have got a heavy workload because there could have been some good to come out of a Scrutiny report on this. I am not sure which way I am going to vote because I think unless the Minister can give me some real assurance that he will put a lot of checks and balances in place and come back at regular intervals with a good common sense way forward that we can adopt things in the future, because I am unhappy at just what we have in front of us. I am very unhappy. I will wait until I hear the remainder of the speeches before deciding which way to vote.

1.3.7 Senator F. du H. Le Gresley:

Before I went to lunch, I was very angry. I had lunch and I am still angry. **[Aside]** **[Laughter]** Why am I angry? Well, I am going to tell you why I am angry because, as I said earlier when we were discussing the referral back I came in this morning feeling quite confident that this was quite a good proposition but I have to remind Members that even though you may not always like Deputy

Southern and what he says, if people listened to what he said, there is absolutely no question that this should have been referred back to the Minister and that we should not carry on debating it today. I am sorry but those who think that it is a delaying tactic or that we are always going back on what we decide, we have only had this proposition for 7 weeks. The first I heard that we were changing our pension age, or proposing to, was when I heard ... I think I read in the *Evening Post* at the end of March that the Chief Minister had indicated that we were going to be changing the pension age. I thought this was just like a long-term strategy. Then we get the proposition. Now can I just say the Deputy of Grouville spoke and she said: "I do not know what the problem is. This is just an in principle decision." Well, I am sorry but I may not have been in this Assembly very long but when I read a proposition that says: "We are to agree that the pensionable age should increase from 65 to 67 by 2031", I think we are making a decision. I do not think this is in principle. I know the law has to come back but do we really want the Minister to go away and work on the law if we are not all happy with it? The fact is that we have not consulted with the public. It is absolutely clear. These annual social surveys are not complete consultation with the public. I am sorry, it is not, and what about the young people? Have they been consulted because they are the ones who are going to have to work until 67 and I bet they have not been consulted? Now just to give the public perhaps listening to this an idea of what the workload ... how these Members in this House have had in the last 7 weeks, I can tell you that today Deputy Southern has lodged P.115. This proposition of the Minister is P.58 lodged on 14th April. That means, in the last 7 weeks, we have had 57 propositions landing on private Members' desks. Coupled with that, we have had 38 amendments to the Island Plan and further amendments to amendments. Now that is in a 7-week period so in the first 4 months of this year, we have the same workload as we have had in 6 weeks. Now I am saying that because I am very angry with myself. When I said I was angry, I am not angry with anybody in this Assembly. I am angry because I did not do the research that Deputy Southern did and I bet a bottom dollar that most of you did not do the research. So we are all at fault here but we are at fault because this is being rushed. This is being rushed through by a Minister - and I do not blame him because I like the Minister - but he is clearing his desk, okay. He has submitted in the last 10 days I think about another 10 propositions. Some major ones; long-term care and changing the Income Support system. Now we all have to read those. I pride myself on reading every proposition not once but at least twice and doing the research. It is impossible in 7 weeks to read 57 propositions, bring amendments as I have done to the Island Plan, *et cetera*, and sit on Scrutiny Panels. It is ridiculous. Now I have to say to every Member here please abstain on this vote because we are not ready for this yet and what I am going to suggest is that I bring Standing Order 79 into play and request that this is referred to Scrutiny. It has to be delayed today. We are not ready for this. The public are not ready. I guarantee you that if you go out on the street now and talk to 10 people, not one of them will know that we are debating that they have to work 2 more years. I bet you they do not know so how can we possibly make a decision? It is absolutely ridiculous so I am saying I would like Standing Order 79 exercised with a referral to Scrutiny. Thank you.

[14:30]

1.4 Pension age: increase - proposition of Senator F. du H. Le Gresley to refer to Scrutiny

The Deputy Bailiff:

Is a proposal to refer this matter to Scrutiny under Standing Order 79 seconded? **[Seconded]** Very well, does any Member wish to speak? Deputy Le Hérissier.

1.4.1 Deputy R.G. Le Hérissier:

I mentioned this at the end of my comments this morning. I totally agree with Senator Le Gresley. I think we need more information. I think this is likely to carry on. Now Deputy Southern did say that his panel was very busy and clearly it is and we have the problem of the summer and the recess and electioneering and so forth. It may well be necessary to start the Scrutiny at this point or

indeed probably better still to wait until the start of the next session but this is a fundamental issue. A lot of Members have made the point that it is interconnected with other social policy issues and that we need to see it in the round, for example, with its relationship to discrimination law and so forth. A lot of people realise there is an inevitability about this. I am not a King Canute about this. I realise the demographics of the world are changing, I realise the economies of the world are changing, *et cetera, et cetera*, as Deputy Fox would say. I realise all this is happening but the public have to be brought along with the debate. We have a mechanism for looking in detail at issues. It is called Scrutiny. There have been some highly effective scrutinies in the social policy field and I would ask the chairman and the panel to seriously consider this. It will be seen as a rush job by us just before the end of session. Deputy Gorst has no fear because I think, grudgingly probably, the population will say it has to be accepted but that does not detract from the kind of point the Deputy of St. Mary was making that there has to be an in-depth examination of its implications and how it relates to other aspects of policy and we just dropped this on the public, as Senator Le Gresley said. Let us use our mechanism of Scrutiny. It has worked very well in other areas.

1.4.2 Deputy G.P. Southern:

I have already expressed the sentiment that we are a very busy panel currently and, indeed, as Deputy Le Hérisier suggested, this then may well take us into the next session, which is problematic. However, I am concerned about this proposition, as Members will obviously be aware, and it does seem to me that if the States were minded to do that, then I could report back at the next session, the panel could consider what needed to be done and set out some parameters for how that might be approached. Whether or not we could do a substantial amount of work over the break between sessions is open to question but certainly we could set it up so that it got the proper Scrutiny that I think it deserves and this House could be seen to be making, I think, a better decision. So the format is that I would have to come back at the next session to say: "Yes, we can take a look at it and this is the format." There may even be terms of reference that may well be agreed by then and we can set it up for proper Scrutiny, which I believe it deserves.

1.4.3 Deputy M.R. Higgins:

Again, over the lunchtime, I was also angry so Senator Le Gresley was not the only person who was angry with the debate this morning and the way things have gone. I do believe that the States are doing their usual. They are rushing into something here without the facts and, to be perfectly honest, without consulting the public in the way that was suggested this morning. I thought Deputy Southern made an absolutely brilliant case for the referral back of this. By not endorsing that and not being prepared to go out to the public, I think this House again has shown contempt for the public and I am ashamed to be part of it on occasion and this is one of those occasions. I will fully support Senator Le Gresley's reference to Scrutiny and I believe that other Members should have a change of heart and do so because, otherwise, you are just reinforcing what the public already think about you.

1.4.4 Deputy M. Tadier:

I think there are 3 points I can make in a short speech. The first is to do with the inherent value of the Scrutiny function. It is there to provide an extra set of eyes on top of the Ministerial decisions that are made either by the Council of Ministers or with their advisers because not everything will get picked up at Ministerial level with all the best will and the best people. Even if that were the case, it would not happen. I would like this to be referred to Scrutiny because Scrutiny I believe can flag-up problems and they can add value. Also, I would like them to look certainly at one area that I have spoken about before and that is consequences. Now there has not been in my opinion, as I have said before, in at least one area, enough research done on how this will affect those of different socioeconomic backgrounds in different types of work that I have said may be very physical and that may be manual. One of the unintended consequences from that is that if we are

asking people in these kind of jobs who currently work up until they are 65 in very physical jobs, which I have said involve a lot of bending and a lot of impact on the joints, what we may see is that when people get to 65 or even earlier, they will not be able to retire but we may just be putting people on to sickness benefit. We may find that these people go and refer themselves to the doctor, get signed off at 65 for a couple of years until they can then go and claim their pension. It does not solve the issues. It does not solve the underlying causes. Now this is only just one aspect which I am passionate about and which I am keen to have scrutinised. There will clearly be other ones and Scrutiny does have the ability. Over and above in a political sense, it has to be remembered, clearly the Ministers here do have a political agenda. It is also economic, of course, and there is an issue to be dealt with but it should not be done on a whim and it should not be done, as Senator Le Gresley said, with only 6 or 7 weeks of this proposition having been lodged without any meaningful knowledge from the public or any meaningful consultation from the public on what is pretty much one of the biggest decisions we would be making in the next few years.

Senator J.L. Perchard:

Sir, I would like to give notice of my intention to propose the closure motion to this particular section of the debate for 30 minutes. I think this is a repetition of the debate we have just had and once again, Sir, the House is being questionable in its motives.

The Deputy Bailiff:

This proposition opened at 2.30 p.m. An hour has not elapsed and, therefore, there is no ability under Standing Orders to propose the closure motion. I call on Deputy Duhamel.

1.4.5 Deputy R.C. Duhamel:

I think we are getting ourselves into technical difficulties here because - and I probably need your advice - on page 17, we have a list of bullet points, which begin to flush-out some of the initiatives which might be looked at into the future to encourage people to work for longer, which might well be desirable. On page 7, there is an executive summary of recommendations, one of which is 3 up from the bottom bullet point, which is to undertake further research to identify measures to encourage people to work longer and to encourage employers to employ older workers and consider legislation that may be needed including discrimination and migration laws. Unfortunately, we are being asked to refer the proposition - which is not the report, it is the proposition - to be scrutinised by the Scrutiny Panel and if we do that, the wording of the proposition is very well focused on a tiny part of the problem and that, for me, is the problem. We would all, I think in our heart of hearts, like a better more general debate to take place as to the type of society we would all wish to encourage and the type of policy initiatives that might well be worked out by the Minister for Social Security in order to bring about things that might need to be done to achieve that state and, in doing so, the type of debate really is a strategic-type plain paper debate, and that is the thing we have kicked into touch. So I am struggling because unless we are going to allow a more liberal interpretation of how we can refer propositions for Scrutiny, which might allow the Scrutiny Panels to stray into strategy-setting and policies in formation - which we have not done yet - then I think we are being asked to do something that we should not be doing. So I think the cleaner way forward, Sir, after I have listened to your advice, might well be to ask for the Minister for Social Security to either make a statement whereby he will guarantee to this House to bring forward the Green Papers that we all think we need in as short a timeframe as possible, albeit that we are moving towards the elections. If he cannot do it, then it might well be something that the new House would have to look at, but to put this to a Scrutiny Panel at the moment and to have them come back and be told at a later stage that they can only consider the narrow viewpoint of whether or not it is 65 or 67, and that is it when we really want to look at the other things, would be a bit farcical, in my view.

The Deputy Bailiff:

You are not asking for anything from the Chair, are you?

Deputy R.C. Duhamel:

Sir, I was. I was asking whether or not you concurred with my interpretation of the Standing Order.

The Deputy Bailiff:

Well, Deputy, I am sorry to say I do not agree with your interpretation. I think if this is referred to Scrutiny, it will be a matter for Scrutiny to look at the proposition as it thinks fit and to report on those aspects of the proposition including the report as it thinks fit, so the proposition is in order as far as that is concerned. I should have said in relation to the notice from Senator Perchard a moment ago that he is entitled to give notice of his intention to bring a closure motion but he cannot do it from half an hour from 31 minutes past 2 because that will be before an hour has elapsed, so after 31 minutes past 3 or 29 minutes to 4, then it will be possible for him to bring the motion and he has given notice accordingly if the motion is still proceeding at that stage. Deputy De Sousa.

1.4.6 Deputy D.J. De Sousa:

I am really alarmed that we have come to this situation today. If Deputy Southern's proposition this morning had been accepted, we would not be where we are now and in this awkward position. Members are saying we are making ourselves look stupid. I have to say that this is really difficult because it does say that important changes in legislation should have the correct consultation and, normally, it is the norm to do a Green Paper for something that will affect big changes. All we are asking for is that more consultation is done and I am alarmed that it has to be referred back to Scrutiny because, as the Deputy said this morning, our workload is big but if we have to do it, then we have to do it. Even though I said to him when he took over as chairman: "If we look at Social Security again in this term, I will resign" and I am also on another main panel and several sub-panels and I have a massive load of constituency work but if that is what the House requires, then we will find the time and we will look at this legislation.

1.4.7 Senator A. Breckon:

I will be brief. I would like just to bring Members back to some of the principles we had when we discussed Ministerial government and the agreement was we would have checks and balances and, as for the Minister of Social Security, where are the checks and balances in this proposition? I would be grateful if, at some time in the future, if he could answer that because I have not seen them. The reason I say that is because we were told that Scrutiny will be part of it, Freedom of Information will be part of it and Green Papers will be part of it and we have not had any of that.

[14:45]

Senator Le Gresley mentioned that he read about this in the paper. Now supposing he had not read the paper and he bumped into somebody in the street and he said: "What do you think about this?" "What do I think about what?" Sharing information. We have got the Council of Ministers, 'Part B' Agendas: Freedom of Information, forget it. Now this has come in - as somebody said this morning - under the radar. Where are the checks and balances? Now it is not procedural and some Members might find it a bit frustrating, but is that not what we are here for? To examine policy, assess the policy and then either approve it, send it back or amend it or whatever. That is what we are here for. We are not here just to rubberstamp what the Minister has said and I heard him saying: "I want this, I know that, I believe that." Well, I might believe other things and the Scrutiny Panel might find other things and that is where it should go. Now some Members, as I say, may feel frustrated with that. Well, you know, if Senator Perchard wants to go and watch the cricket, he can go and watch the cricket. It is up to him. If he finds it frustrating being in here, he should ask maybe his children who are, say, under 30 what they think about working until they are 67. They might have a different view to him and they might give him some Scrutiny in this policy. Ask them what they think because I know what my daughter thinks of it. I know what my daughter thinks of it and she is under 30. So who has asked those youngsters? Nobody has and Scrutiny

might do that for the Minister because he obviously has not done it himself. Now I will vote against this if it goes and the other thing is the Minister is telling us: “Aye, aye, aye”, this, that and the other but, having said that, we have got elections in 6 months’ time. People might take a view of this on all of us, especially younger people, if they turn out and vote, so Members should be aware of that and that is why we need to back off now. Scrutiny needs to have a look at it. It is not a debate. It is common sense and members should apply that. Where are the checks and balances? They are not there. It is coming under the radar 7 weeks on top of loads and loads of other things. It is not fair. It is not fair. A few Members have said they have had calls today. Have the Constables had any meetings in their Parish? No, they have not. Now they might well have attracted young people into Parish Halls to discuss this sort of stuff. Scrutiny might be able to do that for them. Public meetings, hearings; they can do that in the process because others, it appears to me, have failed and that is why if this does not get referred back, it needs to be rejected and not because it is the wrong thing to do but because it has not gone through due process. Now although that may be frustrating for some, we have to demonstrate that and not just think it is an officer’s good idea or it is a Minister’s good idea. It has to be better than that and we are not demonstrating that and that is why I support the reference to Scrutiny and, if that does not go through, I will vote against this lock, stock and barrel because I think it is coming in at the wrong time under the radar and it is going to hammer people who are already under pressure.

1.4.8 Deputy J.A. Martin:

A lot of what I was about to say Senator Breckon has been said so I will just keep it brief because I did make some reference this morning and it is not ... We heard this morning that we must not be afraid to make decisions that if we go out to consultation, people may still not want but ... and I am not. I have been working with all the Ministers and the Minister for Social Security looking at the Green Paper on Health. We know the population over 65 are living longer, hopefully living healthier and of course what they want is money to enjoy that. But can we, in one fell swoop, say: “That is lovely for you if you are doing it in the next few years but you”, as the Senator has just said: “you are the ones who are going to be paying for it” and without telling them. And I had not thought of what the Senator said about the Parishes and the Deputy of Grouville. I mean, the Deputy of Grouville in her speeches for Senators says there is a role for Parish Constables to go out to consultation and there is nothing done and this is massive. All across this, I wrote “Scrutiny” and I like Senator Le Gresley. I do try and pride myself on keeping on top of what is going on and getting my papers ready. I heard about it. My 30 year-old said to me: “Oh, it is all right for you. I have got to work until I am 67” and I am: “What?” This was a few weeks back so I found out that it was lodged but I had never, ever expected it coming now. Absolutely was ... my question was where is Scrutiny? Then I am thinking: “Well, no that is an easy cop out.” Scrutiny, you are down to 12 to 13 people. You have got people sitting in the back rows who want to go home. They would rather not be here but they are not on Scrutiny, they are not an Assistant Minister and they are not doing ... they are doing constituency work. Well, good, but I am sorry, you cannot ... what annoys me and I think it is, as somebody said, it is a contempt for the public but ... and I know Senator Le Gresley has a lot more respect probably across the whole of this Chamber than I do, but the contempt was from the House who did know what was coming, who did do the research but just because his name is Deputy Southern, everybody started stamping away when the Minister was speaking. Can anyone stand up who stamped, especially on some of the Constables’ benches, and I am not having a go at the Constables? But now I know they have not even consulted the young people in their Parish. Have a Parish Assembly set for just under 30 year-olds. Tell them what it is going to be. Senator Breckon cannot be accused of: “Oh, it is not a good vote for me because of the election.” Senator Breckon is not standing in election. He is not standing in election. We missed an opportunity this morning and I, in some ways, do agree ... I do not agree with Deputy Duhamel’s interpretation of Scrutiny because if it is sent there, they make their own terms of reference and he knows that himself. He has sat on Scrutiny and his ... you can be as broad and as small and as far as you want to go but I do think with the resources and the time and all the information, the

reference of that would have been a better alternative for the Minister with all the backing that they have got down at Social Security and already got this ... as I say, we have got 13 and I am not sure if that did include Deputy Higgins, but we might have 12 people who are willing to do Scrutiny. It is not in my area and, you know, if we had passed the Assistant Minister thing, I would step up to this one certainly. I am very, very ... like Senator Le Gresley, I was angry before lunch. I have calmed down a bit. **[Laughter]** I have calmed down a bit but it is for Scrutiny and I really did listen to the words of the Dean and it is about taking the people with you. You have got to give them a chance because it was me who said this has crept in under everybody's radar. Do you think the same people who signed the 19,000 petition on G.S.T. (Goods and Services Tax) have not just said: "Oh, that is lovely. I am going to be working until I am 67"? No. They do not know. Deputy De Sousa says lot of ... I have not had lots of phone calls because the people who would phone me do not know. We missed, as I say, the opportunity this morning. The Dean I think put it very well that you cannot make people work. We do not have the people out there where you ... people should be working longer. I mean, I know lots of people. We will be seeing them again and we see them now who love to work. Their only social life ... they have maybe lost a partner early on and their children are grown and their social life is what they want to work on and, if they are fit, they can. They may want to reduce hours because they want to spend time with their grandchildren, but this is things that have not been considered but the main thing is I really do not have the contempt for the public that many of you ... and it is political. I have said it before about it being conservative with a small "c" ... do not have the contempt for a Member who has stood up obviously over weeks and also done the research on this rushed proposition. I do not want to leave my children - 3 of them are under 30 - without money in their pension when they get older. Of course not. It may well be - and I think it will be - something will have to change, either contributions more or more people contributing or more for longer but the answer ... there are too many questions and the only way now to go is unless the Minister is big enough to say: "This is rushed. You did not accept the reference back. I need myself to get my department to do the research. It has got to go to Scrutiny." With a heavy heart, if it does not go to Scrutiny like many others, I do not abstain. I cannot remember ever abstaining in this House and it is has to be the courage of yes or no and, I am sorry, I cannot support this in the form it is in because if nobody knows about it, then there is no rush. We have got plenty of time to get this right and one time. We have had it for how many years, if Senator Ferguson could tell me?

Senator S.C. Ferguson:

42.

Deputy J.A. Martin:

Another 6 ... 42, thank you, Senator. Another 6 months to a year will not break the straw on that camel's back. Putting this through, you might as well break the camel.

Deputy A.E. Jeune of St. Brelade:

May I ask a point of clarification from the previous speaker? May I ask Deputy Martin whether in fact she is suggesting that rather than increasing the age we should be increasing the contribution levels that people are paying?

The Deputy Bailiff:

I think the point that Deputy Martin was making was that that was an option and therefore Scrutiny ought to look at all the options.

1.4.9 The Connétable of St. Lawrence:

I am not angry, but I pride myself on being realistic. We have 53 Members in this Chamber, 40 of them do not work in Scrutiny. **[Approbation]** Therefore, every matter that may be referred to Scrutiny by this House or indeed every matter that a Scrutiny Panel opts to work on is worked on by a very small number of Members. The chairman has already told us today that the panel of

which he is chairman and I am vice-chairman has a great deal of work to do. We are at the moment conducting 2 reviews. Being realistic I accept, as does Deputy De Sousa, that if it is the will of the House to refer this matter to the panel then we will deal with it as we must. However, if that is the case I will be proposing that a sub-panel be formed. I would hope that we would invite Senators Breckon and Le Gresley to sit on that sub-panel [**Approbation**] and to bring the vast experience to it that I know they both have. So, we await the will of the House. But, to paraphrase the Code of Practice on Consultation, Scrutiny is not a panacea for uncomfortable decisions.

1.4.10 Connétable J. Gallichan of St. Mary:

I am a little bit angry, but I am not angry with myself, I am angry with the people ... well, not angry, because that would not be parliamentary. But I am concerned of the number of people who are saying that this has come under the radar. It jolly well has not. I knew it was coming. I have been to briefings. I have heard the Minister explain what the situations were. I have heard him outline the problems. I heard what I consider to be a very, very comprehensive speech on the main proposition from the Minister, setting out exactly where we are and setting out the facts that are not going to change no matter how we look at them, the facts that are affecting pretty much every Western society; the ageing population, the changing demographics. Nothing we do, nothing we consult on will change the problems that we are facing and that is quite clear, so, no I do not accept those Members who are saying this has come under the radar. Those people who are saying that it is not right to put this on to the young people. We have to look at this in the round. I have heard 2 very good speeches today in different facets of this debate: one, the first speech of the Connétable of St. Lawrence setting out quite categorically what consultation is for and the other, the Deputy of Grouville, who said (a) we are meant to take difficult decisions ... I think I have lost my thread, thinking about the Deputy of Grouville making that point.

[15:00]

We have been told that this is an election matter. We have been told that people are conflicted. People in this House, most of them are not going to be affected by this. But we are all, every single member of society, going to be affected by this decision, because if we do make this decision people of a certain age will have to work longer. If we do not make this decision there will not be the funding in place to give the pensions to the people who need them when they retire. [**Approbation**] Members are not looking at that. This is not a simple: "Let us not penalise the young." We have to make sure that the elderly, the older people, the retired people now, those of us who will be retired shortly and those of us who will be retired in many years' time all have the right backing, the right financial assurance from the State. Because as I talk from page 6 of the proposition report: "As things stand by 2015/16 [we are not looking 20 years in the future] annual payment out of the fund will outstrip the money coming in." So we need to start acting now. This is not something that will wait indefinitely ...

The Deputy Bailiff:

Connétable, can I bring you back to ...

The Connétable of St. Mary:

I am getting right there, Sir. So what I am saying is we have had the attempt to get more consultation. We understood why that did not happen. I did anyway. We are now looking at putting it to Scrutiny. The question is: what value will Scrutiny add? Well, obviously it depends, as Deputy Southern has said, on what terms of reference they come up with. But whatever they come up with it will not affect the underlying fact that is affecting all Western society. We were elected to make difficult decisions. Deputy Martin said: "What about the 19,000 people who signed the G.S.T.?" Well of course, they were important, they had a big voice, but it did not alter the fact of why decisions had to be taken. We must make decisions; that is our job. We need to look at the big picture of how this affects across the board. But we as States Members need to look

at the big picture for everybody out there on the streets of St. Helier; on the streets of St. Mary, everywhere; who, when they reach retirement age, must be dealt with. So, I would like to know exactly what the reference to Scrutiny, where Scrutiny have said they do not have time to do this as a major review in the normal course of things, but they are adaptable to make some incisive movements now before the next sitting. What exactly will the Scrutiny Panel be doing that will fundamentally change the need for me to make this decision today? Because I have had the information and the ... all the Members who have spoken saying we could do this or we could do that, I heard the Minister say, I am sure, and I know he will correct me if I am wrong, that it is not probably a question of doing this or this or this. It is a question of doing this and this and this. I think Members need to wake up and see really how vast this problem on the horizon, this silver tsunami, as I have been told it is, really is and to start facing up to their responsibilities to the electorate who put them in this Assembly to make a decision.

1.4.11 Senator A.J.H. Maclean:

I think the previous speaker alluded to this point and that is the fact that this most certainly is not a rushed proposition. I have been aware of it for some considerable time. What has been interesting listening to the debate as it has unfolded, the number of Members who have conceded that the principle behind this they agree with. They believe that, yes, the pension age is likely to have to increase. So there is no actual great surprise in the principle behind what is being proposed by the Minister for Social Security. I know that the Minister for Social Security has done a considerable amount of work on this particular proposition and I know his department have carried out a lot of research. Members will have noted the speech that he gave earlier and the detail that he included in that speech, to the level of background information that has been undertaken to date. But I think getting to the point what we are being asked to do is to refer back to Scrutiny this particular in principle proposition; a proposition that seeks to raise the pension age from 65 to 67 in 2020. Now, it also, as a key point under (c), asks the Minister to come forward with the legislation in due course. Now surely it is a time for Scrutiny to get involved. Scrutiny has a key role to play, I absolutely agree with that. But surely the time for Scrutiny to be involved is when the legislation is brought forward, the detail is brought forward, that is when it should be scrutinised and that is when Members of this Assembly will have a chance to debate the detail of the proposition as it is at that particular time. I really cannot see what Scrutiny are going to be able to scrutinise apart from the principle that we are discussing here; and it is very narrow indeed. So I would ask Members to reject this reference back to Scrutiny, let the Minister get on with the valuable work he is already undertaking; it is an important issue and let Scrutiny do their work in due course, valuable as it undoubtedly will be.

1.4.12 Deputy J.G. Reed of St. Ouen:

Just a few points; I firmly believe that Scrutiny does have a role to play. I just question whether it is at this particular moment in time. I just draw Members back perhaps to the proposition. I have heard very few Members disagree that the pensionable age should increase from 65 to 67. That is one of the questions that we are asked to agree today. The other question is when that increase should start? The suggestion is 1st January 2020; 8½ years from now. I would therefore suggest that, quite rightly, the concerns raised by Deputy Southern and others need to be addressed, but we have time. This is not going to be something that is going to impact on us by the end of the year or even next year. Yes, legislation needs to be brought in. Yes, we also know that legislation is able to be amended. It needs to be considered. But equally we need to give advance warning that we need to do something. That is what the proposition is aiming to do; nothing more, nothing less. It is absolutely right that the Scrutiny Panel decides whether they want to scrutinise it now. I would suggest there is no need to rush and that there is sufficient time for Members and Scrutiny to consider this matter before the legislation is brought back to this Assembly, but more importantly, after that legislation is brought back, how we manage the transition which needs to happen to make sure that these changes suit our population.

1.4.13 Deputy T.M. Pitman:

Unlike Senator Le Gresley and Deputy Higgins, who were very angry over their lunch, I am just very happy, because not having to look at the Minister for Treasury and Resources is only a small thing but it cheers me up no end. **[Laughter]** But my anger is obviously rising again now, because when you come back in here you cannot but help get angry, because once again it seems that during this debate some Members are attempting to put, what has to be said is, haste before analysis. It seems to me that again it is ideology before common sense. How may people in their lives make decisions, if they can avoid it, without having all the information? You try and get as much info as you can. Is that not what Government should be doing? There are so many red herrings. We are talking about one year's money here and the difference. I think people will confirm that I am right in that. This is not the great answer to all our problems. It is, as Deputy Duhamel said, it is a sticking plaster really. Is it a major concern that we refer this to Scrutiny? Well, I say no, because Scrutiny can set their own terms of reference and their parameters as widely or narrow as they see fit. I am one of those 13 mugs - can I say, Sir - idiots, still doing it.

The Deputy Bailiff:

I do not think you should be rude to yourself, Deputy. **[Laughter]**

Deputy T.M. Pitman:

I was going to say: "Why not? Everyone else is?" **[Laughter]** But there you go, I am one of those 13; the tiny dwindling band who feel more and more that we are just tied-up, sitting on our hands, staring at papers, writing papers that no one's going to take a blind bit of notice of. That seems to be the message coming out with this again; contempt for Scrutiny. We are the glue that sticks this faltering Ministerial system together. I think maybe it is time we dissolved that glue and we brought this sorry mess of arrogance to its knees and put an end to it, put it out of its misery. Because these are decisions that might not affect many people here, but it affects a lot of my constituents and they do not know. The vast majority do not know. Is it an election issue? Well, certainly it should be and it will be. So possibly I should be saying: "Go ahead and let people vote for this" because to me a vote for the main proposition of the Minister is electoral suicide. So I would love all the right-wingers in the House and the foot-stompers to go and vote, because next time it will make this House much better in terms of quality of people who really understand ordinary working people and their issues. But I think we have to do the right thing now, not just head nod, not just go with our ideology, let us think about the people who do pay our wages. It makes complete sense what Senator Le Gresley is putting forward. The panel, the chairman, the deputy chair, the other Members have all said yes, they have a lot of work on, but they are willing to do the job. Why do we not give them the chance? Why not? Do we value Scrutiny? Do we want the most informed picture we can? Do we want to make the best decision we can? Surely we do, whichever side of the political spectrum come from. So I will be definitely supporting Senator Le Gresley.

1.4.14 Deputy P.V.F. Le Claire:

I will be supporting Senator Le Gresley and if we are unsuccessful then I will be voting against the proposition. I believe consultation needs to take place. I believe this is the first time I have ever seen or heard a debate where practically everybody is in agreement and yet the Minister is not willing to take what is being said on board by those that have concerns. Withdraw this, bring it back after the elections or let his successor do so. This is 5 months until the end of one Minister's portfolio, 4 years ahead of another's. We are just doing this because there is a stack of paper to get through. It is absolute nonsense. So I will be supporting Senator Le Gresley. I am on Scrutiny. I recognise how hard Scrutiny is. I have resigned from it on a couple of occasions, gone back into it. There is a lot of work, there are lot of issues on right now and unless we do get some engagement from the community and some of the areas and some of the issues that we would like to investigate ourselves, then I am afraid we are just telling the public what they are going to have. Just telling

them is not what they want. They may be prepared to go along with us, but they do not want to be dragged or kicked ahead of us.

1.4.15 Deputy J.A.N. Le Fondré of St. Lawrence:

I am pleased to follow the Constable of St. Lawrence and I would like to go back to her comments about realism. Obviously, I am new to Scrutiny. I have to say I am very unlikely to be supporting the referral to Scrutiny. Principally, because I was thinking realistically, we have got 3 sittings left before summer. We have got the next sitting, which is when Scrutiny comes back to confirm whether or not it wants to scrutinise it. Then we have got 2 more sittings and then I believe we have got 2 sittings in September and then it is the elections. I believe after that it is the budget and that is it. Now, I also agree with the Deputy of St. Ouen, which I think if my interpretation is correct, is that he is saying that Scrutiny could be looking at this anyway in parallel. In other words approve the principles, Scrutiny look at it and when the legislation comes then that is when it all dovetails together. From that perspective, I think realism, to me, says let us not add to the workload from the point of view of delaying the principles and delaying matters further. There are a couple of reasons behind that. At the end of the day, the present pension scheme is a pay-as-you-go-scheme. As I am sure we all know, that means that those of us who are working at present are paying for those who are pensioners now. When those of us, and I will include me in the point that I will be affected by this overall proposition, although I am slightly older than the Minister for Social Security. I am hoping that after today he will have more grey hair than me at the moment. But obviously when we get to retirement the point is there will be less people working to support our pensions. That is the problem and that is the silver tsunami, if you like. We first heard that expression, I think, from KPMG in the hospital.

[15:15]

It is coming. Delaying matters will not change that one bit. If you work it out, if this review delays the adoption of the principles until October, November, next Assembly, that is 6 months to a year. There are 2 issues there. One is a new Minister, a new Scrutiny Panel, and a whole new delay. The second thing is a financial consequence, because there is knock-on delay in there somewhere, I suspect. In terms of the proposed changes, in the overall scheme of things, there is an increase of 2 years to an existing scheme, which is being started in something like 10 years' time, being spread over a long period of time. It is not like - I do not know if I want to mention this - we are introducing long-term care, which is a new system coming in whenever. This is a tweak, if you like, a fundamental tweak, to an existing system. So I think, to be honest, if people do not like it, do not support the proposition. I think if you keep prevaricating, keep delaying, the impact ... this is about young people, it is about if we do not take these measures now, it is about making sure that when they eventually get to retirement there is a good and viable scheme in place, simplistically. If we do not do that you will have unacceptable consequences coming through. It is far better to take these types of decisions very much at the long range distance. The closer and closer you get, the more extreme those decisions have to be made. That is explaining that I will be supporting this referral to Scrutiny. I do think there is a scope there for Scrutiny to review in parallel the principles and then if there are amendments they want to do they have had a head start when the legislation comes. At least they will know what they are scrutinising at that point. But I think we have rejected the referral back. I think that this is just a delay to adopting the principles and I will not be supporting it.

1.4.16 Senator P.F.C. Ozouf:

This is the first time I have contributed to this debate so I will say that I am conflicted in this matter, because I am 65 in 2035, so I am going to be one of the people that is going to be affected by the increase. We have had a debate on the reference back, a decision was made that a majority of Members of this Assembly did not think that they required any more information in order to make a decision. I do think that sometimes we do find the big decisions in politics difficult and

sometimes we do try and avoid taking them. I hesitate to almost say anything in this debate, because I think probably the remarks of the Constable of St. Lawrence and the Constable of St. Mary and the earlier interventions by the Deputy of Grouville have said it all. A Member outside in the coffee room said something which I certainly listened to, they said: "Even if you turn this decision upside down, it has got to be made." I think that we all know that. If any Member is not aware that the decision is to be made, I urge them to look at page 31 of the proposition. Members look at exactly the decisions that have been made internationally in terms of the pension age. We know everybody living, whether or not they are a teenager or whether or not they are in their 70s, everyone in the whole world that has been listening to the media knows that there is an issue with the ageing society and that governments around the world have to make decisions in terms of the retirement, pension age. We do find the big, controversial decisions difficult. We do try to put them off. But, as we explored yesterday in question time, I will say and I will restate again, that I believe that Jersey is currently in a good position for the future. It is in a positive good position of the future, because this Assembly, in this place, far-sighted decisions have been made early. The previous decisions of the Ministers for Social Security, of which there are 2 in this Assembly, were far-sighted in terms of the change in contributions. Other difficult decisions in terms of our public finances have meant that we do not have any of the problems that other places have by comparison, even though we have not been unaffected. I do not think that even if Scrutiny was to turn this decision upside down we would come forward with a different decision in terms of the necessary requirement for a decision to lift the State Pension retirement age. The Minister has put a well-argued case. I thought he gave one of the best speeches I have heard for a long time in this Assembly in terms of his opening remarks. He has given an excellent report. This has been widely reported in the media. People are aware of it. I do not believe that anything will be added from the discussion we have already had that we do not need any more information. We do not need, on this occasion, with respect to Scrutiny, further work. We need to make a decision. I urge Members to uphold the proud tradition of this Assembly of making far-sighted decisions early. They may be controversial, they may be difficult, but we are ready to make that decision today. I urge Members to reject the proposition of Senator Le Gresley to revert to Scrutiny and let us get on with making a decision.

1.4.17 Deputy A.E. Jeune:

On this bit I will be brief, because I have not spoken to the main proposition. I do want to pick up on what the Connétable of St. Lawrence said. She is absolutely right. She is being realistic. We need to do that. People are saying that they were angry before lunch and even more angry after lunch, in some cases. I am not angry. Frankly, I despair. Why? As the Connétable of St. Mary said, we need to make difficult decisions and the Minister for Social Security, I believe, has shown his backbone and his ability to bring forward a proposition that was going to be difficult in, as Senator Breckon said, an election year. I think that says a lot for the man who has brought this proposition. Deputy Southern, when he spoke this morning, made issue to a *J.E.P.* editorial article, which was, as he put it, negative about the situation. Well, on 6th April this year that same paper did an editorial, which was supportive of what the Minister for Social Security was doing. I wonder what it must have been like in here all those years ago when Social Security was first mooted. As Deputy Martin raised this morning: J.J. Le Marquand, yes there was the revolution... Deputy Tadier and Deputy Martin, then. But those people who were part of that have been able to enjoy many years of pension. I will retain the rest of it to the main proposition, but I just do not believe there is anything to be gained at this stage of going to Scrutiny. I fully support Scrutiny. I think they are exceptionally important, but the decision needs to be made on this and it can be scrutinised afterwards and before the law comes through.

1.4.18 Deputy A.E. Pryke of Trinity:

I will be brief. We have had all sorts of descriptions on how we all feel, from anger to anxiety, but I think it is very sad. I just think Members say it is being rushed, but where have you all been? We

have been talking about the problem with ageing population for an awful long time. Is this the first time that perhaps it has really, really sunk in; that we do have this problem and we need to address it? We do have to make some difficult decisions. If the penny has at long last dropped; good, because the problem is there, the problem is not going away as like in any other European country. The problem is there. Let us make that first important step. This is a wake-up call for not only this Assembly, but for everybody else. **[Approbation]**

1.4.19 The Deputy of St. Mary:

First of all, the macho approach to politics, which we have heard from the Minister for Treasury and Resources and from Deputy Jeune, in a different register of the voice, but exactly the same **[Laughter]** tough, jutting jaw, far-sighted, tradition of this Assembly and the man who brought this is. I think this is a dangerous route to go down, it really is, and I just want to pour a little bit of cold water on the concept of being manly and that being the way to do politics. It is a very dangerous appeal. We should just consign it to the bin, because decisions should be taken on other grounds than that. So that is my first point. The second point is this notion that we fully support Scrutiny. We have heard that from Deputy Jeune: "I fully support Scrutiny and it can scrutinise this later." Later, when we have taken the decision then we can scrutinise it. We can look at the i's how they have been dotted and the t's how they have been crossed. Thank you very much, I do not want to spend my life looking at how the i's have been dotted. I want to look at the principles. I want to see how they are set out, whether the list of principles is complete, how they have been discussed, how they have been related to each other, what the options are. The Minister for Education, Sport and Culture: "We need to do something." Well, amen to that. We know that this issue will not go away, it has to be tackled. "There is no need to rush." Well if there is no need to rush, why are we rushing? So much for Scrutiny. I do find the attitude to Scrutiny extremely ambivalent and I wonder really what the point of it is. Because when we are faced with something that clearly needs a second look, and people have spoken about the different kinds of options. Deputy Duhamel raised, really, a wider picture, which I would go into but it is not relevant to this debate, but there are issues that have not even been looked at. I would just mention one that was mentioned before as well: gender, that does not appear in this. Yet, these are major, major issues. We do have the time. It is not a matter of we cannot wait 6 months, we cannot wait one year. So that is my second point, what is the role of Scrutiny if we do not have the option of looking at things like this, which do affect every Islander? My third point is that if we continue today like this and if we reject this proposition and if we accept the proposition of the Minister, we will end up with a divided vote on a key issue where there should be agreement. Not only will we be divided but there will be no sanction from the public, no consent from the public via formal consultation. Now, it is funny that many of the people who I suspect are going to vote against this reference to Scrutiny, when it came to Senators and the matter of whether Senators should be dropped from 4 to 6 or backwards or whichever way it was, there was I remember a long debate about having a referendum on that matter. I voted for that, because I think that it is right that in a matter of constitutional change who sits here and who does not and who the electorate vote for, it should be the public that decides. It will be interesting to see whether what is good for the goose is good for the gander when it comes to voting on this, because what we are saying is that the public have a right to be consulted on a matter such as this. If we however delay and we do the job properly and we have the Green Paper that we wish to see and we have the Scrutiny which would lead eventually, I believe, to a Green Paper, then at the end of the process we would have an agreed vote in this House, we would be together on this and we would have, what is even more important, unity between Government and people. That is a big issue. We like to, I think, not realise how important it is. The future is going to be very different from where we are now, 10, 20 years down the line.

[15:30]

We are going to need open communication, we are going to need the Government to work with people and we better start now instead of shutting people out. Deputy Le Fondré tried to suggest

that this was urgent and other people have tried to suggest that. It just is not. Six months, a year; I am sorry it will not make any difference to the original timeline, if we eventually do raise the State Pension age, it will not make any difference at all. Finally, someone spoke about... Members did have the information; they did have the information, it has not been under the radar. Well, be that as it may, and Senator Le Gresley made a very good case for the masses of documentation we have had in the last 6, 7 weeks. But notwithstanding that, if we do work all night and read it all, every single one, then there is still the fact that the public are not aware of this. They simply are not aware of this. There has been brief coverage when the Minister first lodged it and that was as far as it went. The fact is that the questions in J.A.S.S. (Jersey Annual Social Survey) that were posed as options is fair enough; it is a good way to get a steer, it is a good way to get the public's view. I would add, what the public said they wanted was ignored and we do not have that on the table. What we have is the third or fourth option. Either way it was not the top preference of the public. So we already have a problem there. We have to resolve that. So, we do need to not rush ahead with this. We do need it to be looked at by further eyes. Thank you.

1.4.20 Deputy I.J. Gorst:

I am not sure how to start other than to say it is nice to be on the same side as my Assistant Minister in a debate. **[Laughter]** Although, between you and me, she thinks that my proposition is a little bit slow and I am not going far enough. Although I make that comment in jest, it is an important one. Because Deputy Southern in a written question to me said that my proposal was premature. A local media outlet reiterated that earlier this week. I take exception to that comment, because I believe, if anything, we are coming rather late to this party. Pensions are about long-term planning for our later lives. One of the problems that we face as a society, and it is all tied-up in this issue, is that people are not starting to save for pensions soon enough. Members will be aware that there was a report in the United Kingdom earlier this week saying that individuals are not saving soon enough or enough for their retirement. We, I believe, have a responsibility as a Government to set the direction that we want our community to move in and set the direction for the provision that we believe is appropriate for our community going forward. I have got to say that I am not of the belief that members of the community are not aware of this. As I have said, we have come relatively late to this decision. Any Member looking at either a local media reporting on international and U.K. affairs, certainly European affairs, are well aware that the need to raise pensionable age has been discussed across Western communities and are aware that it is a debate and that other governments have already made this decision, as I said earlier, not least of which our sister Island has made the decision. I am, in actual fact, asking for an in principle decision today. The legislation will have to come forward at a future date. Some Members might not like this and I am mindful that if this vote goes against me ... I will not get to sum up, so I will use some of my summing up now. I am mindful that I am firmly of the belief that we need to set this direction now so that some of the issues that Members wish to be addressed, and I am absolutely committed to addressing between now and 2020, are kick-started into being addressed. **[Approbation]** The next Council of Ministers will not be able to say it does not want discrimination legislation if we send this message to our community that we are going to, in principle, approve a raising of the pensionable age. I believe it is important that we make this decision today, because we need to set that direction. We need to give certainty, as much as we can, to members of our community. A number of Members have suggested that really Scrutiny needs to go away and look at the options. I can do no more than to reiterate some of the comments that I made in a previous debate, and the Connétable of St. Mary so eloquently said, the options are we will be raising contributions. Yes, we will. We will need to raise the pensionable age. Yes we will. We will need to collect contributions above the existing ceiling. Yes, we will. Members have complained about the amount of work I am putting before them. I make no apology for that. I was elected to this post at the will of this Assembly, but hopefully for a full 3-year term, and I was asked to deliver a package of reforms. It takes time to deliver those reforms. Most of those reforms now are in law or proposition form in Members' hands and we are going to have to get to grips with them over the

next few weeks so that we can set that direction, as I say, deal with some of the social issues that our community faces and put in place long term plans for the good of our community. We cannot just put them off and say it is a lot of work that we need to undertake in 6 or 7 weeks. So the options: contributions, yes; raising of pensionable age, yes; contributions above the existing ceiling, yes. The only other options are as outlined perhaps along the lines that Deputy Southern spoke of earlier and that was not up-rating the pension in the way that we currently do and perhaps even means-testing it. So Scrutiny can go away and look at those issues if they wish to. But I do not believe that there is any desire in this Assembly to undermine the value of our pension or to introduce a means tested system into a contributory bedrock pension society for our community. **[Approbation]** A number of other Members have also talked about gender. The Social Security scheme already has 10 years worth of HLB credits for those individuals who stay at home looking after their children. It is perhaps a little bit of a shame that Members were not cognisant of that fact when they were speaking.

The Deputy Bailiff:

Minister, this is about whether it should be referred to Scrutiny.

Deputy I.J. Gorst:

I am outlining why I do not believe it should be, Sir. **[Laughter]** So, to pick up on points perhaps of Deputy Duhamel and the Deputy of St. John, I fully understand what they were saying, that we do need and there will be other obligations placed upon us, to look at these issues in a let us say perhaps a more strategic way. This Council of Ministers, unfortunately because of the economic recession, has been tied-up very much with trying to save taxpayers' money and then as a last resort increase taxes. That has to some effect, it is fair to say, pushed us off our agenda that we set at the start of our term of office. But I am absolutely sure and certain that the ageing demographic, whatever term you want to give to it, cannot be anything other than the number one priority for the incoming Council of Ministers, whoever they may be. The issues that the Deputy of St. John talked about, tax breaks for families, perhaps not paying tax on pension, they are all issues which need to be considered and brought forward, but that does not mean to say we should not make this decision today. We need to give certainty to our community and we need to set the agenda. I am afraid that if we do refer it back to Scrutiny, Scrutiny will then come back at the next sitting and tell us what they intend to do about it. Then they will have 4 meetings in which to report, which will either be right in the middle of the election or just after the election when a new House will want to consider that and a new Minister will want to consider it. As I said, we have come late in the day, in my opinion, to this decision. I do urge Members not to put this decision off. I know it is difficult. I am aware of that. I know there are many other issues that are tied-up with it, that need to be addressed and they will be addressed if I have anything to do with it in those intervening periods. So, I would perhaps ask that Senator Le Gresley withdraw this reference to Scrutiny and then if Members really do not like it, I concur with my fellow Deputy here that it would be better for them to vote against it and send that direction to our community and then tell this Assembly what it is that they are going to do about making sure that they do not pass an excessive burden on to their children and grandchildren and what it is they are going to do to protect the pensions of current pensioners in our community. **[Approbation]**

The Deputy Bailiff:

Does any other Member wish to speak? Then I call on Senator Le Gresley to reply.

1.4.21 Senator F. du H. Le Gresley:

Can I dispel a myth that has been spread by one or 2 people? I will not name them, but I think they will know who they are. This is all about the elections. Well, in my case, I can assure you, and I did say before I spoke that I came in this morning proposing to support this proposition, but the way the debate has gone - and of course we know that some people were not in the Chamber for

that debate about the reference back - it has changed my mind. Now, that is what we are here to do. We are a debating House. We do not have to come in with pre-formed views on everything, otherwise we just rubberstamp everything and all go home, and Terry Le Main always wants to go home, you know? Senator Le Main, I beg your pardon, I know is ... I know him well, I know him well. So anyway, it is not about the election. I do not want this necessarily to roll into October and be an election issue. That is not the point. The point that I am trying to make, why it needs to be referred back to Scrutiny, as this proposition has only been in our public domain for just under 7 weeks, and if you all believe that you can make a decision without consulting the public - and we have not consulted the public, whatever you might think - based on one piece of paper produced by the Minister, however good he is and however good his officers are in putting all this together, I am sorry, but that is just not good enough. We have to have more information. I fully accept that we will probably come back to agreeing that we do need to rebase the pension age, but it is just not good enough to say: "Well, the Minister is bound to be right. We have heard about the ageing population, so we must make the decision today. It is a tough decision." I do not mind making tough decisions, but I want more information; that is all, more information. All right, what have people said? Well, I thank all those who supported the reference to Scrutiny, because I do believe we need to draw breath today. I mean, I would ask the Minister to delay or hold back on voting on this proposition, because he is going to get a lot of people voting against it or abstaining, and that is not the right message to send out to the public. That is what will happen as a consequence of carrying on with this debate today. Now, I was challenged, quite rightly, by the Constable of St. Lawrence, who is the vice-chairman of the Health and Social Services Scrutiny Panel, as was my colleague, Senator Breckon, is if we believe this should be referred to Scrutiny, would we sit on a sub-panel? Well, I will and I have spoken to my colleague and he would as well. So there we are: we have 2 Members willing, willing because we really believe that this is such an important issue it has to be looked at by Scrutiny. I am sorry if you think ... I mean, I just despair that people foot-stamp every time somebody says: "We have to get on and make the big decisions." Well, you have not got the information. I am sorry, you have not got the information. What else? A lot of people have said that Scrutiny has a role to play. Now, I have only been in this House - I have lost track of the dates there - I think it is 8th June, so in 8 days' time, I will have been elected for one year, and I have sat on 2 Scrutiny Sub-Panels, and I believe that the role of Scrutiny is to be subject-based in the future. I think the way we are conducting Scrutiny at the moment is probably not the most efficient use of Members' time. Now, this is a perfect subject-based matter for Scrutiny. Have we consulted sufficiently with the public on increasing the pension age?

[15:45]

The answer is no, without a doubt. If any of you can stand up and say to me that we have consulted sufficiently with the public, well, I do not know which Island you live in; it is certainly not Jersey. So this is a matter for Scrutiny. I am willing to serve on a sub-panel, as is my colleague, Senator Breckon, and I hope the chairman of Scrutiny would accept us. I like the words that Deputy Le Claire used. He said: "We are just telling the people what they are going to have" and that is exactly the message that will come out of this debate. You know, 53 - we are not all 53, I know the Chief Minister is not here - we are just going to decide today, based on a piece of paper we have had for 7 weeks, that in future, all the young people on this Island can work until 67. That is what we are telling them, it is. I mean, have we consulted with people in the schools? We have now given young people the right to vote and then we do not consult on them when we are going to tell them to work another 2 years when they get to 67. Well, I am sorry, that is not consultation. So I suppose I best finish with the Minister's comments, because I know you all want to go home, and I want to say that I have the utmost respect for this Minister. I think he has done an excellent job and that many of the things that he has brought to this House I have supported. I would like to think that he knows that I take a great interest in anything to do with Social Security because of what I did before I came here, but I have to say that making such a tough decision does not mean it is going to be a right decision. Now, if we consult with the people and they are with us on this

decision, we will not need a debate all day. We will know that people have, in the majority - because obviously we have to go with the majority - will support this. At the moment, we only know that 32 per cent of a 50 per cent response to a survey of about 2,300 people say that this is an option. Well, is that enough to go on? Are you happy that you know that all your constituents think that we should raise the pension age to 67 today? Well, Senator Le Main is, but he is very lucky, because I do not think many other people really are sure about this. So really, that is it, reference back to Scrutiny is the right decision. My preference would be for the Minister to withdraw this proposition today. He is obviously not going to, but I hope even if we lose this that sends out a strong message that we are not happy with this proposition and that when he brings the legislation, it is likely to be challenged, if not overturned. So I really think he is unwise not to accept the mood of the House, which is that we are not happy. We are not happy today with this proposition, only because of the way the debate has evolved, I would say, in many cases. My final appeal is to the good people on my left, the Constables, who are renowned for voting with the *status quo* or the propositions of the Council of Ministers. Can I just say that have you consulted with your parishioners on this?

The Deputy Bailiff:

Through the Chair, Senator Le Gresley.

Senator F. du H. Le Gresley:

Sorry, Sir, I beg your pardon. Through the Chair, Sir. I would like to ask the Connétables if they have consulted with their parishioners. Have any of you had a meeting, have you put it in your newsletter? That, we heard, you are all so proud of your newsletters. Have you consulted? If you have, please vote against me, and if you have not, either abstain or vote for me. Thank you.

The Deputy Bailiff:

Well, the appel is called. I invite Members to return to their seats. The vote is on whether or not P.58 should be referred to Scrutiny and I ask the Greffier to open the voting.

POUR: 19	CONTRE: 29	ABSTAIN: 2
Senator A. Breckon	Senator P.F. Routier	Connétable of St. Lawrence
Senator F. du H. Le Gresley	Senator P.F.C. Ozouf	Deputy of St. Ouen
Connétable of St. Helier	Senator T.J. Le Main	
Connétable of St. John	Senator J.L. Perchard	
Deputy R.G. Le Hérisssier (S)	Senator S.C. Ferguson	
Deputy J.A. Martin (H)	Senator A.J.H. Maclean	
Deputy G.P. Southern (H)	Senator B.I. Le Marquand	
Deputy of St. Peter	Connétable of St. Ouen	
Deputy P.V.F. Le Claire (H)	Connétable of Trinity	
Deputy S. Pitman (H)	Connétable of Grouville	
Deputy K.C. Lewis (S)	Connétable of St. Brelade	
Deputy of St. John	Connétable of St. Martin	
Deputy M. Tadier (B)	Connétable of St. Saviour	
Deputy of St. Mary	Connétable of St. Clement	
Deputy T.M. Pitman (H)	Connétable of St. Peter	
Deputy T.A. Vallois (S)	Connétable of St. Mary	
Deputy M.R. Higgins (H)	Deputy R.C. Duhamel (S)	
Deputy D.J. De Sousa (H)	Deputy of St. Martin	
Deputy J.M. Maçon (S)	Deputy J.B. Fox (H)	
	Deputy of Grouville	
	Deputy J.A. Hilton (H)	
	Deputy J.A.N. Le Fondré (L)	
	Deputy of Trinity	
	Deputy S.S.P.A. Power (B)	

		Deputy I.J. Gorst (C)		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

1.5 Pension age: increase (P.58/2011) - resumption

The Deputy Bailiff:

We now resume the debate on P.58: Deputy Fox.

1.5.1 Deputy J.B. Fox of St. Helier:

Well, I am not going to go through what everybody has said, you will be pleased to know, but I might just comment briefly on the last discussion we had on Scrutiny to say that the Constable of St. Mary has hit many of the buttons in the reasons that we have to move forward and make decisions, but referring to page 17, which is looking at the initiatives to encourage people to work longer, in fact, that is already happening, and I just thought I would give you a couple of examples. Only yesterday I was speaking to a retired colleague of mine who has got a job at a bank, and up until last week, I think, they were retiring at 60. They are now retiring at 65. So just to show that there are companies out there already looking to the future as to people living longer, *et cetera*. Certainly during my time with working in various organisations directly or indirectly through voluntary support, *et cetera*, there was quite a number of people that were professionals that had retired at 60 or 50 or whatever that were now giving up their time, some of which was totally voluntary, some of which were honoraries and some of which were part-time; they were giving their expertise and value, professional skills and knowledge into supporting other organisations, and with their pension - whether it is a work pension, old age pension or whatever - they were able to still contribute to society in a positive way and were leading positive lives and supporting others, which I think is commendable. Another one was a retired colleague's wife was working in a finance centre or bank not very far from here. In fact, she was in charge of about, I think it was, 6 or 8 men who were about 45 to 50 that up until that time were working on building sites, but they were getting older and less able to do the actual physical work, and the bank concerned trained them for specific jobs within this section, and they were some of the best workers that the bank had employed. It is that they learnt the skills very quickly, they were very capable, they were experienced and they get on with the jobs, *et cetera*. So again, this is an area to show diversity. We know about companies such as B&Q that employ young people as well as old people, which work together and adapt extremely well, and I think that all I am saying to you at the present time is that discussions are already taking place, like my previous employment, which had an earlier retirement age, because they used to in the old days be out on the street all the time, and their body at 55 was of a 65 year-old person, and of course that is now changing with modern working techniques and computers, *et cetera*, in cars. Consequently, the Home Affairs Committee, along with others, will be looking at increasing the retirement age, quite rightly. As times change, you need to diversify. I just thought I would give you some just brief examples of where things are already progressing. As far as does the public know, well, the public keep talking to me about increasing the age in the back streets of St. Helier, so my answer to that is they might not have the detail of what is contained in this proposition, but they are fully aware of what is coming and how it is going to affect them, I can assure you of that.

Deputy R.G. Le Hérissier:

I wonder if, on a point of clarification, in our succession planning study, Scrutiny looked at this issue when the speaker has mentioned extending the police working age. Could he tell us at what age he would suggest police officers retire under the new conditions he outlined?

Deputy J.B. Fox:

I could have my own personal opinion, but I do not think that would be quite appropriate with not having dealt with the facts that the Scrutiny would look at it and the facts of what the medical people would say their thing, so I do not think it would be fair for me to answer that, but I will tell you privately quite happily.

1.5.2 Senator A. Breckon:

When the Minister made his speech, he used the first person singular quite a bit, and he talked about: “I believe this” and: “I want this” and it seemed to me he knew best, and to me, that is a bit of an insult to many of the hard-working population that anybody could say to them that they know what is best for them. They may well remember that, because in my opinion, they were not consulted and we have not got a broad view of opinions. I will take, for example, the younger people. Many of them will not be aware of this: “What is it about?” and Senator Ozouf might get twittering away and ask a lot of young people who use the social networking, ask them a question: “Do you want to work until you are 67?” I will come back to that in a moment or 2 with Senator Routier, because we asked this question a number of years ago when we were on the Social Security Committee, as it was then. The other thing the Minister used, he used the term of: “There is a reluctant acceptance.” Well, that suggests to me that somebody is saying to people: “There is no alternative” but there is an alternative. I had a proposal before this House 6 months ago about another 0.5 per cent on contributions, and it is a pity Senator Le Sueur is not here, because he did that roadshow that Senator Le Gresley touched on this morning about *Continuity and Change*. There was a dozen or so meetings, people were engaged, but what people said positively was: “We value our pensions.” Not only did they say they value them, they said they would be willing to pay more, and that happened from 1998 to 2002, 0.5 per cent a year, split between employer and employee, and that is what happened. That was a phase, and that is where I think we should be again. We should forget about this, because to come back to Senator Routier, we were on the Social Security Committee, we looked at all sorts of alternatives for this 5 or 6 years ago and when we sat around the table with officers who prepared reports, we had umpteen drafts or whatever it was, and we said to the officers: “This is a great idea, work until you are 70. Is it for you? Will you sign up to work until you are 70?” and the officers started looking out the window, looking on the floor. There were no takers, and if we look at a modern society, people in some instances are still working long hours in pressured environments. They do not want to be working until they are 67, and if you think of Deputy Martin’s children, the Deputy of Grouville’s children, my own, if you say to them: “Do you want to work until you are 67?” they will shrug their shoulders and go: “Yeah, yeah, I do. You having a laugh or what?” They do not want this at any price, and the reality is different. If you look at the retirement age people are retiring at or that they are doing that, people are taking the 63 option, retire at 63, so this really is a bit of smoke and mirrors. It is nice to have a policy and it is maybe like being on a bus: it is nice for somebody else to do: “It will not be us, or most of us, somebody else will be having to do this” and there are alternatives, and for me, the initiative could have been a funding initiative, as opposed to a change in age. We have heard rumours, and Senator Ozouf touched on this before, what other places were doing, and having said that, some of those things in Greece or France, it is a different ballgame entirely to us here. There were options in their 50s and 60s that we do not have. The other thing - and nobody has answered the question again from the States Employment Board - what is the view with workers in the public sector? How will that work then? Will they be able to retire at 65 or whatever, and not get the State Pension until they are 67? Is there a joined-up bit here that nobody has shared with us today? The other thing, I think because it is such a significant issue, it is not complete in that there has not been this consultation. Deputy Martin mentioned this morning about the long-term care, and 5 years ago we could have dropped a scheme in that was similar to Guernsey, and now we are talking about the same thing 5 years on. They have got a fund with a surplus, and we have missed a trick there, and that has been in place since 2002. The other thing, in other documents there are contributions that are paid in other places.

[16:00]

Ours is the employee is 6 per cent, the employer is 6.5 per cent, and that compares with the U.K. where the employees are paying 12 per cent and the employer is paying 13.8 per cent. Now, that suggests to me that there is some leeway, as it were, for increasing contributions without overdoing it, and it is a long-term thing, and perhaps it is something - we are talking about a long-term policy here - I have not seen on the agenda, and that is disappointing, and that is why I think there should have been both a reference back or a Scrutiny review to put that back on the agenda, because people, it is proven, will pay for ring-fenced benefits. They will not just give us money to put straight in our Victoria Avenue again or whatever it may be, but if it is for their benefit, like long-term care or pensions or health perhaps, they will pay in, providing that nobody else can get their hands on it to do something else. It needs to be for that specific purpose, and we have not really tested people on that recently, although when we did with continuity and change, people signed-up for it and the contributions were increased by 0.5 per cent over that 5-year period. I think for me that the shame is that we do not have that option on the table again to do that, because the other thing that came out of *Continuity and Change* was many people do not have an occupational pension scheme, and if you think of people working in retail and things like that, they cannot afford to make their own savings. There was a report came out just the other day, and what they were talking about is on retirement the ideal pension pot to have is £400,000. Now, to many people, that is just pie in the sky, and if you say to young people: "Think about your pension" they go: "Oh, yeah." So really it has to be our scheme, it has to be the scheme that we are all in and it is disappointing that alternatives like this, perhaps enhanced payments, a supplementary scheme have not come forward, because people may have signed-up for that. There are benefits in a collective scheme about fees are kept to a minimum and administration and such, and again, this has not been on the agenda. For me, this is not where we should be. Some of these alternatives should be there, and because we do not have these alternatives, I will be voting against this, for the reasons I have said. I am unhappy with the way it has been presented and I am unhappy that there are no alternatives, and I do not think I have a great deal of sympathy with the Minister. He has a terrific responsibility and workload there, but I would suggest to him he does not have all the answers either.

1.5.3 Senator J.L. Perchard:

Unlike the previous speaker and those speakers, many who have spoken on the last 2 debates - one was to refer back and the other one was to refer to Scrutiny - I wish to congratulate the Minister on bringing this proposition forward today. I think it is a very difficult and sensitive area, and I think it is very brave and bold of the Minister to grasp this nettle. It is a reality that the population is ageing and that we have a demographic time bomb here, and it needs to be dealt with. I suggest this is just a first step of reform. Reform will be ongoing - reform of the system - and I congratulate him. On page 9, there is a statistic here, and I will just quote it: in 2006, on the Island of Jersey, there were 13,600 people over the age of 64. In 2036, that is 24 years from now, there will be 20,600 people on the Island of Jersey over the age of 65. We have to deal with this. This is just, as I say, the first step in the reform, the essential and necessary reform. Senator Breckon, among other things, suggested that people may prefer to pay higher contributions during their working lives and still retire at 65. We are going to have to ask people - in fact, the Minister has already lodged a proposition - to ask those working to pay more to support long-term care. Those figures of 28,600 who will be over the age of 65 in 2036, many of them will be starting to require care, and many of those numbers will need permanent nursing and long-term care. This has to be paid for. Contributions will go up to support the ageing community as it is. We have a demographic time bomb. We have to deal with it. While I congratulate and hand sweets to the Minister, I am going to pour a little scorn on his colleagues, the Council of Ministers - as is my norm these days - but I feel I have to, because at least the Minister for Social Security has grasped the nettle and has eyeballed this problem square on, unlike his colleagues, who are presiding over a Ponzi scheme in the public sector pension scheme. I say it is a Ponzi scheme, and it is. We are presiding over the public sector retirement scheme and the teachers' superannuation fund with this

huge demographic time bomb, the silver tsunami. We see it coming and we still refuse or seem unable to deal with the fact that we have uniformed services retiring at 50, halfway through their life, and retiring on contributions, I think it is between 60 per cent and 80 per cent of final salary. This is just not sustainable, we all know it and are not dealing with it. We have wonderful schemes being paid to public sector employees and at the same time, as we know, the demographic time bomb exists. Congratulations to the Minister, he will get my wholehearted support, and as I say, I am disappointed with his colleagues for not coming with a joined-up scheme to deal with the ageing profile of our population, and I do hope that there will be Members courageous enough in the new Council of Ministers that will be formed early next year to deal with this head on.

1.5.4 The Deputy of Trinity:

I know a lot has been said, and I shall try and be concise. In my Green Paper, number 4 it says: "Future challenges: in 30 years' time, the make-up of the Island is likely to be very different from the Jersey we know today." We have a plan for the future and we need to be responsible about it. We know that there is democratic change, and that was supported by the work that we have done in Health and Social Services, done for the Green Paper, working with KPMG, and all States Members had had the opportunity to have the States presentations by KPMG. We are, as they say, in common with other jurisdictions, but one interesting point that KPMG did bring out about our ageing population was that it was more pronounced, and they were surprised at that. At present, there are 3.8 people of working age, and they support every dependant person here, whether they are retired or a child, but by 2040 - and that is only 29 years away - these figures change dramatically to 1.9 for every dependant person. As I said, this is common with every jurisdiction, but it is more pronounced in Jersey. The number of over-65s in 2040 will have increased by 95 per cent, and all of us - because I think I might just fit into that - we will all require a pension. Those people over retirement age are a great asset to Jersey. We must use their skills and expertise and it is a cause for celebration, and they present great opportunities for the Island. We are living longer, as I said, due to many reasons, especially good diet, good health and being fitter, but also, just to bring this home, the problem is beginning, is here with us now. In a residential home - it is not a nursing home, and I say it is a residential home - which has 28 residents, 5 of them, 5 out of 28, by the end of this month would have reached the wonderful age of 100. That is an achievement. There have been different discussions on the ageing population. It is not going to go away. We must plan for the future and not to just put it off. We must not be a burden or leave a burden for our children and grandchildren, and whatever we do must be affordable and sustainable for the future, and I urge Members to support this proposition.

1.5.5 Deputy A.E. Jeune:

I think it is important that we realise that this does not stop anybody retiring before 67. If people do choose to retire before or after 67, that is their right. What this is about is the age that you will be entitled to receive a State Pension. I do not underestimate the sense of the people in our community, most people who I have engaged with have been waiting for us to do this having seen what is going on in the rest of the world. They are expecting it. If you ask them whether they want it, no, they do not, but they realise it is inevitable. When I think about how things have changed, many people years ago left school at 14 and they went on into a life of manual work. Here in Jersey it was very likely that they went on the farms. But there is very little comparison today to the work that they were doing then. When we look at the legislation, litigation and several other issues that have changed, as well as motorisation and technology, lifting aids, *et cetera*; even those persons who started work at 14, many of them worked into their 70s. I can look at nursing and see how very different that work is today. Again, if I think of many of the young people that I know, many more today go to university and start their working lives a lot later. Deputy Le Claire, and I am sorry he is not here at the moment, made reference to when his dad worked at the harbour. Well if we look at the workings of the harbour now, probably from when his dad started, we would see something very, very different. Deputy Tadier made reference to social classes, well the facts

are that it is those in the lower social classes whose life expectancy has increased at a much greater rate than those in the higher social classes. So they will not - in my opinion - be worse off. Just to refer to media things, the *J.E.P.* in its editorial on 6th April suggested that the Minister for Social Security could face a degree of trouble as he makes efforts to convince the Island that raising the retirement age to 67 is a good idea. It goes on further down to say: "But even if the idea of working longer has limited appeal for many of those looking forward to leisurely retirement, the way in which the new threshold would be introduced sugars the pill to some extent." I do believe that the phased introduction is a much more sensible way than some of the ways other countries have done it.

[16:15]

Deputy G.P. Southern:

A point of clarification, the Deputy mentioned that the life expectancy for working classes had increased by more than the other classes, did she mean that they were now living longer than the other classes, or does she mean that they are still below the other classes?

Deputy A.E. Jeune:

No, the life expectancy for probably social classes 4 and 5 were a lot less; as Senator Ferguson said, it was expected a soldier would have a life expectancy of 65 in 1880 or whatever it was; but the person who came up with the idea, he himself lived into his 80s. So the differential was much greater. Now it has been shown that the social classes 3, 4 and 5 are living much longer and catching up much faster to everybody else.

1.5.6 Deputy J.A. Martin:

I could have clarified, Deputy Southern. What Deputy Jeune did mean was how dare they, the lower working classes are caught up to their peers and their bosses, yes, they are surviving, how dare they, how very dare they. The cheek. They also have a choice, they do not have to... you do not have to work until you are 67, but if you are in one of those that the only pension you do have because you have not got the money to provide, or you have not got a nice little nest egg coming to you - golden handshakes - you do not have a choice. I respect Deputy Jeune, her and my politics are as far one side as we are the other and her own Minister said 67 is really not high enough for her, so come on, this is just the tap and once we have got the tap on, I mean, is she going for Minister for Social Security next time if she gets elected. Once we have got it in, will it be like G.S.T. the next thing, easy solution, right raise it, raise it, let us raise this one, this is not far enough. I really do not have a lot more to say, I just felt that I had to speak because it has been a horrible debate. I am not blind, I know on Health we do have problems coming and we have spent a lot of time with the Minister for Social Security sitting on the steering group for that Green Paper, but not this one. Not this one. We were all told off very nicely by the Constable of St. Mary who said: "She has all the information and you have not done your own work" and the ones who stood up and admitted it, I really liked the ones that did not even ... it was on the Order Paper today because you could probably count them in the 29 votes both times. She said she knew all the facts because we have to make the decision now because the money starts running out in 2016. So why are they not collecting it before? It is 2020 is the first collection. We had no rush to do this, we had time to consult, it is going to leave a very nasty taste and the backlash out there when we are discussing a pension payment to one person of half a million, and a golden handshake, we are telling people: "You still have a choice if you do not want to work until 67 you can leave at 65 but do not come knocking on my door. Do not come knocking on my door for your contributions you paid since you were 14, 15, 16." Now the excuse is: "Well, you do not start work because you go to university." Well, is that valid? I do not know. It is about a fair society and this is certainly not fair. This is where we need some real statistics; a person doing a hard manual job all their life, paying into the same fund, I bet you find over the last 50 years - as the Deputy said - that those 3, 4, and 5s are living longer, they were not living longer so they were paying in their money, so the nice

middle classes could have a very nice pension, thank you very much. They would either drop dead on their shovel or the day after. Sorry, Sir, that might not have been very parliamentary. This is what it is to people out there who have never done a day's hard labour, and I do not mean in prison, I mean on a building site or anything like that. Do not get me wrong, if anybody does not believe that there is stress in white collar workers - which I do not know what we are - I think this job must come at a very high rank in stress, but we can walk away or the electorate can get fed up with us and we are here no more; and we do not have pensions unless we provide, so it does not affect us in that way. But there is no choice, we are going to have to make a decision today. I think Deputy Southern started it off, Senator Le Gresley and many others have said it, completely I am going to have to vote against this. I do not really want to, I really do not want to, because I know decisions have to be made and they are tough. But this is not fair, it is not targeted at the right people, people who it will affect do not know and they have not had it explained properly. There is no choice in life if you are in the lower quintiles. You have to carry on or, as somebody said, you will be paying out in sickness benefits or income support. Has it really been thought through? It has been easy and we have been told we are following the rest of the world. When it does not suit us we do not follow the rest of the world. It is easy and, again, I will go back to the tap, is it a tap that is there to be turned on and that will solve ... I do have a question, I have a very serious question because the Constable of St. Mary knows all the facts, the quotes - and I know it does not include if we get long term care - the quotes from the Minister for Social Security says we have 3.9 workers for dependence now, in X amount of years we will have 1.8. My question is - and I bet it does not - does that 1.8... has that been looked at by the Statistics Unit if people are retiring at 67; I bet they have not been included because this was in KPMG before we even mooted the 67. That is what it is now and that is what it will be, so that is not a statistic. Will it be 2.4 or will it still be 1.8 because the people at the other end leaving school cannot get work? But I need this explained and the people who are going to vote for this should have been asking these questions and you should have had answers. A couple of them is not enough information, it might be good enough for the Constable of St. Mary and all the other Constables who - as Senator Le Gresley said - have not even bothered on a fundamental issue... Is it that all the voters are over a certain age, it will not affect them? I do not know. I am being cynical. I cannot support this, it is a bad, bad ... it is not a bad law, it is a very bad debate and it is bad what we are doing to the Island and not consulting and I am very sorry, there are no choices for some people and I cannot support it.

1.5.7 Senator B.I. Le Marquand:

This Assembly is not good at grasping nettles, particularly in an election year. We are good at trying to put off difficult decisions, but we owe it to the people of Jersey to be straight with them about the future challenges which we face. They need to know that the current pension arrangements are not sustainable. Unless we change this is going to become another Ponzi scheme with those who are paying in paying ever-rising sums to support those who are entitled at the end of it. They also need to know - as Senator Perchard has reminded us today - that the current public sector employees' pension scheme, post 1988 - in which I have an interest - is not sustainable. We cannot continue with a final salary scheme. Now, why is this? It is very simple, because the life expectancy of recipients is rising. We know that within 30 years there will be a doubling of the number of people over 65. So, in very simple terms, it means that people who are entitled to pensions are going to receive them for more years. Now, as I understand it, the basis behind this proposition is starting the recognition that there has to be a pegging of the system in some way, which relates to the number of years for which people are going to claim. If there is not then we are going to be left in an endless cycle of rising contributions and that is why I find it very difficult to understand some of the contributions of some Members who are trying to talk about this as being somehow turning on a tap which will rise and rise, when the alternative to this is exactly that, that contributions will have to rise and rise because people are living longer. There are other associated issues about which the public of Jersey need to know. Other challenges in relation to this whole area of longer life expectancy, there are massive challenges which we are going to face in terms of

the costs of providing and running the health service if we are going to continue to provide it on the current basis. That is exactly for the reasons, which I have already mentioned, that more people will be aged over 65, double the number will be aged over 65. So we have to be straight with the people of Jersey, we have to come up with proposals and ideas, which will start to address it so that people can start to recognise the need to plan for working for longer periods and for saving appropriately. So if this is a first step I commend my colleague, the Minister, for his bravery in taking this first step in an election year, but we must be straight with the public and I will be supporting this.

1.5.8 Deputy M.R. Higgins:

Again, I will say that I am still angry. I have been angry all day, I am going to be going home angry. If I had a pet I would probably take it out on it, but unfortunately that is not politically correct and it is just as well I do not have one. However, I not only found this debate unsatisfactory, I find the States unsatisfactory and I have done for some time. Senator Le Marquand says that we are not good at making difficult decisions. Why? Because some Members are quite content to make decisions with little or no information at all. There is an awful lot of ignorance, they just do not want to know or they just do not like the idea of doing any proper research themselves. Others in this House want facts, want information and want to try and make the best decision possible. So that is one of the reasons why. Another reason why it is unsatisfactory, and I am angry, is because we are doing everything piecemeal. Senator Le Marquand, for example, he is responsible for the Age Discrimination Law; now he can argue that there has been a lot of other things in his area of responsibility and, therefore, he has been preoccupied. But age discrimination laws are absolutely essential if we are going to deal with a problem going forward. Now, I could argue that one of the reasons they have not done it first is because the business lobby have been lobbying to prevent it happening, because it takes away their freedom. We know the Chamber of Commerce will always say: "We need greater flexibility we do not need new restrictions, new regulations, new laws affecting us, more red tape." Look at the banks, how many bank managers do you find over 50 or 55? Most of them have been retired. You can look at many other sorts of industries and you find that the elderly people are gone. Now, whether they are capable or not, they may have the experience, but you can get a situation for example where you can get a young manager coming in at let us say 35 who has got a number of elderly or older workers under him. He finds it very difficult to relate with them so what does he do? He wants to bring in new people who are younger, new people who are going to look up to him, and people who are probably not going to be able to challenge what he is saying based on the experience that they have had.

[16:30]

So the reality of it is that in many forms of employment many employers do not like having elderly workers. Not only that, they also cost more. You can employ 2 younger ones for the cost of an older one, let us get rid of them. So the point is, we have major structural problems within our industry and, yes, we may change the law and say people have got to work longer, but where are the jobs going to be if they are made redundant at 50? Where are they going to find the job to be able to carry on? In addition to that, most of us earn more as we get older. When you are young you start off on a salary, you progress through different salary scales or through experience, and you get higher salaries. You lose that job and then you are going to start from scratch again. Now, people are going to be on a rollercoaster when it comes to financing their retirement and their living because, let us face it, the cost of living in this Island never goes down. In addition to that I am even going to have a go at the Minister for Education, Sport and Culture in terms of where is the joined-up policy? We talk about people working longer. Now, no one has a job for life, very few of us start off at the start of our career and end the career doing the same thing. In fact, probably most people in this House are doing something totally different to what they started off doing. Now, the point is lifelong learning and lifelong training is absolutely essential so where are the

policies? Where are the courses to enable people to move from one form of employment, get training and move into another one? It is not there, no joined-up thinking. It is not there, not yet. I have been in the States 3 years, this was part of the election campaign 3 years ago, why is it only coming forward at the end of the session and not at the beginning of it? Work flexibility: we talk about many people, for example, as they get older cannot keep up with doing a full-time job, they would be quite happy to move to part-time work and possibly at the end of their working life they may be happy to just do occasional work. But we have got none of that in place and there has been no thought and no work done on that area. So the point I am trying to make is it is very difficult to make some of these decisions in isolation without looking at the whole. People have mentioned about a holistic approach, and that is the biggest thing that I condemn the Council of Ministers for. They have not gone around together and worked out these measures and come forward with a complete package, and they should be condemned for that because it is a major failing on their part. Now, when we talk about things like life expectancy, yes, medical science and diet and other things have meant that people are living longer. But does it necessarily mean that they are living healthier? We may live longer but will we have the health to be able to enjoy it? Very often people near the end of their working life do not and, therefore, they will not be able to carry on funding their living and perhaps the private pension part, and I have got comments to say about that, I am going to have a go at the pension funds in a minute. So what are these people going to do? Many of them are going to have to be classed as disabled, so they are going to be disabled when otherwise they would have been retired. Really, we talk about this pension part, we just cannot afford to do it, the truth of the matter is another part of the Social Security Fund is going to be used to pay all these disabled people because there is going to be a lot more of them.

The Deputy Bailiff:

One moment, Deputy, please. There is an increasing hum in the Chamber from Members talking, it would be appreciated if that could be reduced.

Deputy M.R. Higgins:

Just going back over, if we just look at jobs for elderly workers first. So many elderly workers are losing their jobs, their income is declining significantly, they find it exceptionally difficult either to get courses or to find new employment. If they become unhealthy it imposes an even greater hardship on them than had they been retired because we are still expecting them to work even though they have got ill health. We also know, as I have already said, discrimination in this Island is rife, especially on age, as Deputy Ferguson mentioned earlier, I remember her not wanting to retire and being forced to retire. Many employers are in exactly that same sort of situation. Many of those elderly who are working are also underemployed in what they are doing. We also have a situation where [Laughter] ... I seem to remember the Senator at the time being most upset at having to leave, but anyway.

The Deputy Bailiff:

I am not sure the Deputy has given way.

Senator S.C. Ferguson:

I wish he would get his facts, sir.

Deputy M.R. Higgins:

The point is though that we are certainly raising the age but we have got nothing in place. We need to change the whole culture in this Island and I am afraid we are going to have to use legislation, and the business community will fight it left, right and centre because we know they will. Also, raising the retirement age affects people differently. We have already talked about the idea that people who are doing physical work will find it harder to carry on working to the new retirement age than people less physical work. But even within service industries everybody is different. There are people who are doing jobs as janitors, doing jobs as workers in shops or whatever, there

are different categories of work, the same as some people are using their mind rather than their physical characteristics of their body. You can still get tired with being older, you get tired, you find it harder to reason with things, as I am sure many Members of this House have found over the last few days, I am looking at some of them across the floor. **[Laughter]** At least they have woken up. So, anyway, now what I would say is, for example, that knowledge workers can normally go on for quite a longer period of time. In fact, to be honest, if you are using your brain you tend to find it more stimulating and you tend to be more interested in what is going on. I think that to expect them to work longer is fine; in fact, they probably enjoy their work. There is an awful lot of people who do enjoy what they are doing and will and want to carry on for as long as they can. There are others who just do not have the ability to do so. Equally, there are many people at the present time who are going to be disadvantaged even more so. One of the things I find strange, and perhaps the Minister can tell us about all those people, all the women in the Island, for example, who were advised there was a form of mis-selling, told they did not need to get a pension, did not need to make provision for the future because they could benefit from their husbands. Now that advice has changed. How many thousands of people are affected by that and are going to be affected even more so in the future, that their contributions are going to be less. At the present time there are many couples ... someone mentioned about we need to grow the population, we need to have more children. Well the truth of the matter is many families cannot afford for the wife to be off because quite simply they need 2 breadwinners to earn the money to make a living in this Island at the present time. Unless we break this sort of situation and try and bring down the cost of living, which the Council of Ministers cannot do, despite that they say they cannot deal with inflation because most inflation is out of their control, it is imported in terms of higher costs and so on; and equally interest rates and other levers to try and control inflation they do not have control of. So when they talk about controlling inflation it is a joke, they do not have the ability. So the cost of living is going up, people are having to work, couples are having to work and it is one of the reasons they are having less children. Now, we have also got another thing and of course we are looking at the public sector pension here, but there is another scandal that we have to deal with. There are many people who have put money away in pension pots. Those who have been fortunate enough to earn money and placed it with private investment managers and the idea is that they are hoping to build-up this pot of money so when they retire they can supplement their State Pension. Lo and behold, U.K. research has shown that they have been ripped off for years. Why have they been ripped off? Because of the way that these pensions are front loaded and sort of a compound payment is being paid. So, in other words, you pay the first year, the first part of your premium largely goes in fees to the advisers, to people who sort of put you in touch with the scheme of starting it, and as you go on you are still paying a high percentage. When they looked at it, it was absolutely criminal the amount of money that was going to the investment managers and how little was going to the person who was supposed to benefit from the pension. In fact, if Jersey really wants to develop an area that the finance industry would go down a treat and would be well respected worldwide, it would be to try and bring in ethical pensions and ethical pension management.

The Deputy Bailiff:

It is always good to have something new said by a Member but it still must be relevant to the debate.

Deputy M.R. Higgins:

Sorry, it is still relevant, raising the pensions and the ability to fund for the future.

The Deputy Bailiff:

This is not a debate about private sector pension schemes; it is a debate about whether or not the age of the public sector scheme should go up from 65 to 67.

Deputy M.R. Higgins:

Well, I will take that advice, I think I have made my point anyway. I think at this point I will sit down, I think most of it has been said and much more ably than from myself. But what I will say is I am most unhappy with the way that this matter is being brought forward and the way that Members are making their decision and I will not be supporting the proposition.

1.5.9 The Deputy of St. Mary:

I had assumed when I came in this morning that raising the State Pension age was not controversial, funny how one can be so wrong. But that was on a reading of the proposition, because it was well written, I do not agree that it was shoddy, and as Senator Le Marquand just pointed out, more and more people receiving pensions for longer, something has to be done. I did think this is probably the right thing to do. But I certainly do not come to this Assembly with a closed mind or a made-up mind and I am now clear that it is not the right thing to do and any amount of talking about grasping nettles and being brave will not convince me otherwise now because we have been talking about this for quite a while and I think there are very serious issues. I am just going to touch on 4: one is, of course, consultation and I have some new evidence on that, which I researched over the lunch hour; the big issue of the form we want our economy to take; and then support for people to continue working; and then the gender issue. On consultation, we have not got the consent of our public for this move and I have 2 pieces of evidence for this: the first is the Social Survey 2009 and Members need to be reminded of this because this is the only recent evidence we have, 2009: "How acceptable or not acceptable are the following methods of dealing with this issue?" 52 per cent said that it was acceptable to increase contributions, I think, by removing the cap - I am not sure, I have not got the 2009 J.A.S.S. in front of me - by raising contributions, 52 per cent acceptable. Yes, it was removing the cap, sorry, 52 per cent. Increasing the contribution rate, 38 per cent, and raising the States pension age, 32 per cent; 52 per cent, 38 per cent, 32 per cent, and that is, as we were told, a survey of 3,000 people, randomly selected, of whom half replied. So that is one piece of evidence we have about what the public think and we are not following their steer. That is not a killer, it does not mean that what we are about to do is wrong, but it does suggest that we have a problem. The second piece of evidence confirms the first piece, and that is the survey carried out by I.S.A.S. (Island-wide Strategy for an Ageing Society) in 2003. They surveyed 1,250 people over 60, so that is quite a big sample, and what did they say about their willingness to work after retirement? The question is: "At the time you stopped working, which of these applied to you: I do not want to continue working" 62 per cent: "I do not know" 4 per cent: "I would have liked to continue working full-time" 12 per cent: "I would have liked to have continued working part-time" 22 per cent. So that is not much of a case, those figures do not bear out that the public do not support, as starting from a blank sheet of paper, being made to work longer; they might, obviously after a process of consultation and explanation, change that view but the fact is that when asked the question raw, we have 62 per cent: "I do not want to continue working" 22 per cent would have liked to have carried on working part-time and 12 per cent full-time. So the consultation that we have, we have 2 sets of figures which can properly be called consultation and neither of them bear out the course of action which we are about to vote for or not.

[16:45]

So I would suggest to Members that there is something quite alarming about that situation and we are talking, after all, about something that affects everyone. Moving on now to the issue of what sort of economy, the big question. On page 17 of the report, we have a list of ways that older people might be encouraged to continue working and, on the face of it, amen, this is a good thing; indeed, I had a conversation on the bus last night with someone who was over retirement age and was happy in her work, happy to be still working and had bags of experience and wisdom to contribute which she was contributing. Clearly, if people wish to work on there is absolutely no problem with that but the question is, if you are to put that question to people: "Do you want to work longer?" the answer is not "yes" the answer is very often "no", so we cannot assume that it is desirable for people to work longer. The bottom line is - and it is quite clear from the report what

the issue is - the issue is that we need the bodies to run the economy, we need people to go on working, not just to delay the onset of the pension needing to be paid, but also because we are going to be shorter and shorter of labour, but that pre-supposes that you are going to run the economy in a certain way and that the economy is God. On page 21 of the report, there is a table showing the decline in the working-age population over the next 45 years, and the decline is quite gradual for the next 15 years' projected decline - and this is based on a moderate immigration policy - and then between 20 and 25 it dips quite sharply. So there is a worry in Ministers' minds, I think, about the bodies we need to run the economy and I have a couple of comments to make on that and these are issues which simply are not before us, they have not been considered and they should have been. The first option, if you like, is to make do with less, to get the same quality of life out of less consumption, out of less spending so you need less money, and this is a major issue and it is steadily ignored. I would refer Members to the *J.E.P.* today on page 19, which is the international news page: "The British Retail Consortium have just published figures showing that the cost of living index has gone up by 4.9 per cent and the major contributor to that is wheat prices..." and, of course, wheat goes right the way through the food economy: "72 per cent rise" I assume that is year-on-year: "Oil 50 per cent." That is the world context, those prices may come down again, they may not, the fact is that the B.R.I.C. (Brazil, Russia, India and China) countries are rapidly getting wealthier, their food consumption is rising, their oil consumption is rising and the world environment is changing. So if we have pensions pegged to earnings, as the Minister is proposing and he justifies that in his report, that may very well mean in the future that spending power will fall because inflation will have removed some of the increase and inflation may very well go faster than earnings. So you have a situation where it would be wise to plan an economy, especially on behalf of older people and people on pensions, where we get more out of less. Was this option considered at *Imagine Jersey 2035*? No, it was not. Was it on the table? No. Had any work been done on it? No. So I asked a written question yesterday about: "What overall co-ordinated plan does the Council of Ministers have for creating jobs and reducing energy bills and fossil-fuel dependency by stimulating the Green energy sector of our economy?" Remember that reducing energy bills is highly relevant to older people, it is absolutely critical, and no doubt we have all heard the phrase "eating or heating" this is a serious issue. So: "What overall co-ordinated plan does the Council of Ministers have for creating jobs and reducing energy bills?" There is no such plan in existence. Now, at least I am grateful that the Council of Ministers - the Chief Minister in this case - did not obfuscate, he did not dodge the question, he gave a straight answer, and I am grateful for that: there is no such plan in existence. Yet, we are voting on a particular measure to dodge the bullet and deal with this issue of the ageing population, but we are completely ignoring how to make the pound in the pensioner's pocket go further. That is one example, another example would be public transport, it is always cheaper to get the bus than to have the cost of ownership of your own car, but it only works if the public transport system is adequate to get you always - well, not always, but intermittently - where you want to go. Those are just 2 examples of cutting the cost of living and, of course, the other issue is the cost of living in the Island anyway.

The Deputy Bailiff:

Deputy, if you follow this line of debate, there is nothing preventing you from discussing every single aspect of life in Jersey and relating it to whether or not the pension age should go up from 65 to 67. I must ask you to come back to the issue.

The Deputy of St. Mary:

Thank you, Sir, for that direction, that was the end of that passage on getting the most out of your pound as an alternative to having the pension age pushed back an extra 2 years. There are alternatives and they have not been looked at, and we need to be putting ideas like this out into the public domain to start the process of discussion of alternatives. This may be extremely unpopular, it may be one of those issues that when we have decided and when it is in the paper: "My goodness, we did not know that was coming." It might be a nasty boomerang and it might cement the

impression that: “We do not listen, we tell”, and that is not a good idea. The other aspect of needing more bodies to run the economy is keeping people in work and how we achieve that - and, as I have said, on page 17 there is a list of how you do that - but I just want to point out that it does involve other policies and, for instance, working late, working at that age requires health and fitness, mental and physical. A little example of how joined-up thinking might be lacking is that I think we decided in the Business Plan to cut physiotherapy at the hospital, in particular with the back clinic, but the back clinic is part of getting people back to work quickly. So when the Minister says: “We must have people back to work, we need workers in the economy, we are short, we are going to have problems” first of all, how big does the economy have to be, how efficient are we in supplying our needs and, secondly, how good are we at providing the conditions for people to work? There is another little detail, which is in his report on page 10, it says that: “Once an employee reaches retirement age, the individual has reduced rights in respect of claiming unfair dismissal under the Employment Law 2003.” So there is another little piece of work that, no doubt, needs to be done, which brings me on to the third point that I wanted to make; how high a priority will this package have, this package of dealing with the ageing society and the package on page 17 of encouraging people to continue to work if they wish to? I know that the Minister has already said in one of his previous summings-up or previous efforts to keep this show on the road that, yes, it will have his highest priority but the trouble is that many of us do not see these other measures in this proposition, we see them as “maybes” and “hoped-fors” and we are not very satisfied with that. Why pre-empt now, why take this decision now when, in fact, we have not had a holistic look, as other people have said, we have not had an overall look at all the issues that are surrounding the ageing population? I really take on board what Senator Le Gresley said that this would be a perfect opportunity for a wide-ranging Scrutiny review taking in all the issues around this. Finally, of course, the gender issue. I hope the Minister will say something about that in his summing-up as well, because it certainly was not in his report. But the main point is consultation, the fact is all the evidence we have does not support what we are about to do, we have to go to the public; we should have gone, we have not, and so it is very difficult I think for anyone to support this, given that we have a 10-year lead time, given that we do have a year to persuade if it is necessary, to talk with the public, to get them on board if that is what it takes and to present options because maybe they prefer another option.

1.5.10 The Connétable of St. Ouen:

It was Deputy Martin who got away with mentioning G.S.T. without being rebuked by the Chair, but I say that it will have been quite pertinent because I think that there are great similarities between the 2 propositions. In exactly the same way as consulting with the public about whether they want an extra tax, consulting the public as to whether they want an increase in years before they receive their pension would have received exactly the same answer. The Deputy of St. Mary proved that in his speech because he went on and on to show how the answers that have already been asked in the public have shown that, no, they do not want it. But what we are here to do is to make the decision of whether we feel this is something which the public needs, and I think that is where the whole of this day has gone wrong. **[Approbation]** When I joined the States, this was one of the first things that came to light and it was at that time called the Democratic Deficit. It has changed, we have had all sorts now - even an atomic bomb, as far as I can hear - but since 1994, we have talked and talked and talked about it, this is the first Minister who has had the courage to bring something to the States **[Approbation]** and I suspect that he is doing so out of frustration, the equal frustration that I have that we had not done anything about it. When I led a French-speaking parliamentarians’ conference, which the Deputy of St. Mary attended, this was the topic: the topic was how we were going to handle the deficit in our democracy in the future. It was pointed out to us that one or 2 countries have tackled the issue and were now in a good position, Luxembourg being a perfect example. We are still not in a position to tackle this problem and unless we go forward with this today we will just delay that decision even further and the decision will be much more difficult to make when we finally do have to make it.

The Deputy Bailiff:

Does any other Member wish to speak? Then I ask the Minister to reply. **[Approbation]**

1.5.11 Deputy I.J. Gorst:

I am not going to go through everyone’s comments and I am not even going to go through all my comments that I was intending to make. Simply to say, no government is being congratulated for raising the pension age but many have already taken this difficult decision. As individuals, I am sure that none of us is keen to see the pension age increase but we understand why it needs to happen. As the Connétable of St. Ouen has just said, inactivity on our part will simply make the challenges that we face harder to overcome in the future, we must restore the balance between working life and retirement otherwise we will place this unrealistic burden upon our children and make our pension scheme unsustainable. By taking this decision today we will be sending a clear message to the next Council of Ministers that the issues raised today, not only by myself but by many Members, must be addressed and should be addressed as a matter of urgency.

[17:00]

We do need discrimination law. Far be it for me to make a suggestion on the hoof that relates to another department but I have over the last number of weeks come to the conclusion that, in actual fact, probably the responsibility for discrimination legislation should move from my good friend at the Home Affairs Department, should he be willing to relinquish it, and probably more rightly sit either with the Chief Minister or with the Social Security Department. Having said that, we would need the budget to implement it, but it does need to be implemented. We do need to change the workplace culture to encourage older workers and we do need to make sure that there is proper provision, which will mean change for those who are unable to work due to ill health. As a number of people have said, this will need co-operation between departments with a strong strategic lead provided both by this Assembly and by our community. I am convinced that strong support for these proposals today will add weight to the need that these important improvements in our social policy must and will be made. The role of Government, as I have said, is to facilitate change, a clear decision now will also encourage employers to start to take these issues seriously. Today we have to be realistic, we cannot, I believe, shirk our responsibilities. As I have said, these measures represent a long-term solution to the demographic challenges presented to our fund. Increasing the pension age is just one aspect of the steps that we will need to take. Members have talked about J.A.S.S. and I.S.A.S., but J.A.S.S. was a statistical random survey - and that is the best sort of survey - and it said that individuals wanted to raise the ceiling, they wanted to see contributions increase and the third, but perhaps least option that they were able to reluctantly accept, was to see the pension age rise. I am not proposing one above the other, I am proposing that all 3 will happen, it is simply that we need to give this one the steer that it needs now. I have already lodged a proposition to raise the ceiling this week and, without doubt, the next incumbent of this position will have to come forward with contribution increases. They will all happen, and therefore that consultation was appropriate and I have listened and my department will be bringing forward those proposals, the ones still to be addressed, in due course. Any changes need to be fair, particularly across the generations; they must be fair to current pensioners, they must be fair to current workers and they must be fair to our children and our grandchildren. Changing the pension age provides a firm foundation for the future. I urge Members to discharge their responsibility to future generations this afternoon and I maintain this proposition. **[Approbation]**

The Deputy Bailiff:

Will all Members in favour of adopting the ... the ballot is called for. I invite Members to return to their seats. I ask the Greffier to open the voting.

POUR: 32		CONTRE: 16		ABSTAIN: 2
Senator P.F. Routier		Senator A. Breckon		Senator B.E. Shenton
Senator T.J. Le Main		Connétable of St. Helier		Senator F.du H. Le Gresley

Senator J.L. Perchard		Connétable of St. John		
Senator S.C. Ferguson		Deputy R.G. Le Hérisier (S)		
Senator A.J.H. Maclean		Deputy J.A. Martin (H)		
Senator B.I. Le Marquand		Deputy G.P. Southern (H)		
Connétable of St. Ouen		Deputy P.V.F. Le Claire (H)		
Connétable of Trinity		Deputy S. Pitman (H)		
Connétable of Grouville		Deputy K.C. Lewis (S)		
Connétable of St. Brelade		Deputy M. Tadier (B)		
Connétable of St. Martin		Deputy of St. Mary		
Connétable of St. Saviour		Deputy T.M. Pitman (H)		
Connétable of St. Clement		Deputy T.A. Vallois (S)		
Connétable of St. Peter		Deputy M.R. Higgins (H)		
Connétable of St. Lawrence		Deputy D.J. De Sousa (H)		
Connétable of St. Mary		Deputy J.M. Maçon (S)		
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy J.B. Fox (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy A.K.F. Green (H)				

2. Salaries over £100,000: process for review and scrutiny (P.59/2011) (re-issue)

The Deputy Bailiff:

Very well. We come to P.59 - Salaries over £100,000: process for review and scrutiny - lodged by the States Employment Board. Can I ask the Greffier to read the proposition?

The Greffier of the States:

The States are asked to decide whether they are of opinion (a) to approve the detailed process for approval of senior pay set out in the appendix to the attachment brought by the States Employment Board setting out the mechanism to control and monitor senior salaries, with the exception of all clinical locum appointments where the appointment was to cover annual leave, sickness or other absences of permanent staff; and (b) to request the Board to provide the States with a biannual report on the posts and the relevant salaries approved under this process.

The Deputy Bailiff:

Connétable of St. Brelade, I understand you are putting this proposition forward to the Board?

2.1 Connétable M.K. Jackson of St. Brelade (Vice-Chairman, States Employment Board):

Yes, Sir. The process for approval of senior pay is set out in the appendix on page 5 of this proposition. This has been introduced as a result of the adoption by the States of the amended P.30 and thereby satisfies its requirements. I would just précis those notes by suggesting for clarity to Members that, following approval by the responsible Minister, the States Employment Board will

review all pay proposals where the salary is likely to be £100,000 per annum or more. The States Employment Board would be advised in these matters by a member of the Jersey Appointments Commission, the States Employment Board will appoint a suitable independent reward consultancy. The Employment Board will be supported by the States Director of Human Resources who will provide a full job description, person specification and organisational chart. The Board will agree the salary band and daily rate and the States Statistics Department will provide the board with quarterly R.P.I. and property comparative data to enable an understanding of the different cost pressures in Jersey to be derived. I think also I would refer to the Comptroller and Auditor General's Report of March, which Members will be aware of. The review regarding the States management of remuneration for senior posts stated that, in general, the processes have operated effectively, however, it was noted there were a number of instances of non-compliance with States policies and that they all arose from a single appointment. Over the past 2 months, the recommendations from the C.A.G. (Comptroller and Auditor General) Review have been accepted and plans are being implemented, as I outlined earlier, subject to the final outcome of this debate to prevent any future non-compliance. For example, all senior appointments - that is Civil Service grades of 15-plus - are now managed by the Corporate Human Resources Department. The Employment Board will be advised from time to time by independent reward consultants to ensure that States remuneration schemes remain competitive fair and internally consistent. The Board will also benefit from the integrity, independent advice and monitoring provided by the Jersey Appointments Commission. The Commission has consistently ensured that all States appointments are conducted through due process since its inception, as recently highlighted by the Corporate Scrutiny Panel's Report on the States of Jersey Development Company Selection Process. Employment Board members will be asked to approve business cases recommended by Corporate Human Resources either by email or, if no changes from existing terms of appointment are recommended, via a formal meeting if a new role or substantial change is likely. Sir, I am aware there is an amendment and it may be appropriate for that to be considered by Members, and I can then comment further on that.

The Deputy Bailiff:

Thank you. Can you just indicate whether the States Employment Board is going to accept the amendment or not?

The Connétable of St. Brelade:

The Employment Board is relatively ambivalent. I would like to outline the reasons for that when I speak.

2.2 Salaries over £100,000: process for review and scrutiny (P.59/2011) – amendment (P.59/2011 Amd.)

The Deputy Bailiff:

Very well. Is the proposition seconded? **[Seconded]** Then there is an amendment in the name of Deputy Le Hérisier. Can I ask the Greffier to read the amendment?

The Greffier of the States:

Page 2 paragraph (b), for the words: "A bi-annual report" substitute the words: "A quarterly report" and after the words: "Under this process" insert the words: "With this quarterly report including in respect of each post the rationale for payment at this level and for the method of appointment adopted."

2.2.1 Deputy R.G. Le Hérisier:

I have to say, and I have just been reminded, that I am quite amazed about this ambivalence because all I have done is asked for a slightly more regular reporting relationship with slightly more information than is being recommended by the States Employment Board. I have to be quite frank,

in the light of very recent revelations the situation is much worse than the one I was contemplating when I put in the original amendment. Whether it is a system totally out of control, I do not know, but there is no doubt, and it has happened in the U.K. and it has happened in the private sector, and as I argued at the time of my amendment, there is a virus spread throughout the system. I was reading a book, which I know is highly-favoured in some quarters, by Ha-joon Chang - and he is this famous economist whose job it is to turn on its head all the usual assumptions about economies - and one of the things he is looking at is why are U.S. chief executives paid enormous sums of money. Why, in a matter of 20 to 30 years, has the ratio to the average wage in the U.S. changed from 30 to 40 to 300 to 400 times for the payment of a chief executive of a U.S. company, and why has this happened in comparison, for example, to Japanese chief executives who run much more successful companies and who get approximately 25 per cent of payments of U.S. chief executives against the background that their own workers are paid approximately 91 per cent of U.S. salaries? Why these vast disparities, why has the system, in other words, become so massively imbalanced and why from the original rationale that these payments were due to high productivity has that proved totally fallacious, because it is not any longer due to high productivity. I was one of the guilty ones, I have to say, that the public sector bought into this thinking, it bought into the thinking that if you pay people higher money you will get higher productivity, and it never bothered, as the system developed, as the virus went through the system, as the self-serving occurred where consultants were brought in to look at parity with the private sector - and we had this done in the 1990s, as I said - when it was decided that there should be, although it could never be fully implemented, parity with the finance sector, which was never going to work, but that is what was decided for the top of the Jersey public service, basically, and that led to wage inflation which, of course, is still deeply entrenched in the system. So that is why the situation is bad and that is why we have got, of course, these golden handshake situations, we have bought totally into this thinking, we have totally forgotten what it was all about, that it was meant to relate to results, it was meant to relate to productivity, and now all it is is people comparing themselves to other people in so-called comparable positions and saying: "If you do not pay us this, you will not get us" and, of course, that is not necessarily true. So what I am saying is the S.E.B. (States Employment Board), compared to the slightly mild situation when I first proposed this, has really got to sharpen its act. The 2 members who represent the generality of members on the S.E.B. I am sure and I hope are really asking very, very awkward questions because this situation has got out of control and all the rationales for it do not exist. Quite frankly, we cannot produce the linkages to higher productivity, the linkages to better organisational performance; in fact, quite frankly, in many cases it is risible. Also, it has been said by the S.E.B. there will be a report on trends, but to have a report on trends by a self-serving management consulting firm is not to provide a justification, it is just to provide a report on trends with comparable organisations. But if they are all operating flawed systems, all you do is just spread the virus throughout the rest of the system. So I hope that Members will look very closely at these reports also and not just accept them at face value and I hope, ultimately, they will remember why this issue has come here. I certainly do not want to look at every salary but I think at the moment we have got to bring some control back to this situation. The public think we have lost - and we have lost it in many ways - control over the situation and all I am asking for are unbelievably mild - too mild, quite frankly - controls to be exercised and to rely on the members of that board, particularly the Back-Bencher Members, to ask some really hard questions. Because these issues are ultimately, as has been proved by the likes of Mr. Pickles in the U.K. who has drawn attention to local government salaries, political decisions and we have to control them.

[17:15]

So I move the amendment and I am absolutely flabbergasted that for such a mild amendment, which should have been much tougher, people are experiencing ambivalence. If they are experiencing ambivalence clearly, in a way, it says everything.

The Deputy Bailiff:

Does any Member second that? **[Seconded]**

Deputy F.J. Hill of St. Martin:

Sir, before we begin the debate, can we ask whether in actual fact the States Employment Board discussed the matter and, if they did, what were the results of the decision of their discussion? It seems ridiculous that we have got no comments from the Council of Ministers and yet we have got no answer from the States Employment Board. Surely they, as a committee, must have discussed it and there must be a decision?

The Deputy Bailiff:

Deputy you are beginning to make a speech. The question is one which no doubt the Connétable of St. Brelade has heard and no doubt he will consider answering it in his speech. Deputy Trevor Pitman I saw first.

2.2.2 Deputy T.M. Pitman:

Firstly, I have to say how pleased I am to hear another Member promoting Mr. Ha-joon Chang because people probably think I am his agent or something, but his work really should be compulsory reading for all States Members, particularly Ministers. I am going to support Deputy Le Hérissier, it seems incredible that his very minor and sensible amendment could cause any kind of horror or problem for the States Employment Board. As the Deputy has pointed out, this myth that you pay more and you will get greater productivity, greater success, is completely destroyed if you read Chang. It is sensible what the Deputy is putting forward, I probably will speak more on the main proposition but I would urge all Members to support Deputy Le Hérissier on this one, it is a complete cinch.

2.2.3 The Connétable of St. Brelade:

The Board acknowledges the Deputy's concerns and the reference to alleged S.E.B. secrecy, sanctioned payments to departing civil servants. Members need to be aware that the present S.E.B. members have had no control or input into the recent cases which, as the Chief Minister said yesterday, like it or not, were contractual. While this debate is not about those particular issues, I can assure Members that future contracts will be closely scrutinised by present S.E.B. members who, I would suggest, find the present situation quite abhorrent and they will ensure that the public do obtain value for money with employees of the States. The S.E.B., after discussion with the States and the minutes of the actual meeting of 7th April to inform the Deputy of St. Martin, refers: "Felt that in all practicality a bi-annual report would be a pragmatic solution, given the States cycle of meetings and the potential new information that will be forthcoming. The Deputy has asked for quarterly reports which the S.E.B. will produce if Members feel it necessary." But I was advised when I asked yesterday that the additional costs would be in the order of £6,000 to £10,000 per annum. We have absolutely no issue with providing the rationale for payment and for the method of appointment adopted, as Deputy Le Hérissier was requesting. This would, of course, appear on the reports, whether quarterly or bi-annual, and I would wish to leave Members to make their own minds up as to whether or not the additional reports are warranted and whether they feel they could provide good value for the public.

Deputy M.R. Higgins:

Sir, can I seek clarification from the Minister? He mentioned that the current S.E.B. Board was not responsible for these pay rises; that is certainly as a collective body, but is that also true of the members of the board, some of whom were, I believe, members of the previously-constituted bodies?

The Connétable of St. Brelade:

I think I was referring to the appointment of the 2 recently-departed States officers, and I do not think any of the present members of the board, possibly with the exception of the Chief Minister, were members at the times of the appointments.

The Deputy Bailiff:

Can I say from the Chair before the debate gets fully underway, that the payments made to the recently-departed officials do not seem to me to come within the report which is required by this proposition or by the amendment and therefore do not seem to me to be very relevant, because this proposition is only about the control and monitoring of salaries and the matters raised by the amendment. Obviously, we are talking about matters raised by the amendment, which the States Employment Board appears to accept ought to appear in the reports in any event. The Connétable of St. Lawrence?

2.2.4 The Connétable of St. Lawrence:

I am quite clear that I am not ambivalent about this, I fully support Deputy Le Hérissier's amendment to the proposition and, indeed, I am a little cross with myself that, in our meeting when we discussed the report that we were putting in, I did not suggest quarterly reports myself. As the Constable of St. Brelade has mentioned, he says the Board is ambivalent because of the cost involved, I do not accept that; the information is there, I will be querying at our next meeting how it can cost £6,000 to £8,000 to produce quarterly reports as opposed to producing bi-annual. Believe me, as one of the 2 Members who were appointed to provide a suitable level of independent review - as Deputy De Sousa and I have been referred to in the report - we do ask searching questions, we are not there as nodding dogs, everyone in this House knows what Deputy De Sousa and I are like, and I believe that is why we were elected: we were not appointed, we were elected by this House to do a job and, believe me, that is what we are doing, we are asking questions, we are digging I think probably more deeply than has been dug in the past by a member of the States Employment Board. That is why I was prepared to let my name go forward for election. Deputy Le Hérissier referred to culture differences between the U.S.A. and Japan, and he is quite right. The culture that we have had in very recent years is totally wrong, it is unacceptable, which is why we have come forward with this proposition today to look at appointments of when salaries will be above £100,000. To me, even £100,000 is a very high amount for us to be looking at. While I sit on the board, we will be keeping this under review; I see Deputy De Sousa nodding, we are not nodding dogs [Laughter] but she is nodding in agreement with my words. I can assure Deputy Le Hérissier that we do ask searching questions and I am pleased to say that very often when we do, there are uncomfortable looks on the faces of some of the civil servants who are there to advise us, and that is how it should be. I stand to support the amendment to the proposition and, frankly, I hope the rest of the House does, too.

2.2.5 Deputy G.P. Southern:

Very briefly, I sense some support from the actual panel itself for this change and I urge the rapporteur to cut this debate short and accept the amendment.

2.2.6 The Deputy of St. Martin:

I am glad to follow the last 2 speakers, in particular the Connétable of St. Lawrence. Members will know that I have put a fair bit of work in and with the Members' support we have made big changes to the States Employment Board and, indeed, the whole reason why Deputy De Sousa and the Connétable of St. Lawrence are on there is as a result of the States agreeing to my amendment whereby we should have at least 2 executive members, and I am grateful for their support and indeed the common sense that the Constable of St. Lawrence has given us this afternoon. I think for the States Employment Board really there is no scrutiny; thank goodness we now have 2 non-executive members who can have some scrutiny on there and we have heard what the Constable of St. Lawrence has had to say. This is quite a simplistic amendment which should not require much

thought really and if we are going to give any respect at all to the States Employment Board and the Council of Ministers, which really form the basis of it, because there are 3 members of the Council of Ministers on the board, and 2 non-executives. If there is no scrutiny, what have we got the States Employment Board for? I would ask maybe that the rapporteur could take the advice that Deputy Southern has given and accept this amendment now and we can move on.

2.2.7 Deputy P.V.F. Le Claire:

It just strikes me as strange that the proposer has said the panel is ambivalent when I am hearing from the Constable of St. Peter that he is happy with it, I am hearing from the Constable of St. Lawrence that she is happy with it and I am looking across the Chamber and seeing that Deputy De Sousa is happy with it, so I wonder how much of the panel is ambivalent or if it is maybe the civil servants. The aim of the States Strategic Plan ...

The Connétable of St. Brelade:

Sorry. Would the Deputy give way? I think maybe the term “ambivalent” was incorrect, I think that the point I wished to make was that there was a cost to the amendment which the Deputy has put, which he was not clear about, and I think, in supporting the amendment, which the Board is quite content with and I am happy to support, that Members need to be aware there is a cost in supporting it and I would like to have the indication of their support by having a vote on it.

Deputy P.V.F. Le Claire:

There is a cost to it, no doubt, but there are extremely high-paying salaries and the public is being asked to dig deeper into their pockets on an ongoing basis. I would like to remind the Island as well as the States, we agreed in our States Strategic Plan - the most important public document - to create responsive government that provides good and efficient services and a sound infrastructure and which embraces a progressive culture of openness, transparency, and accountability to the public. Deputy Le Hérisier’s amendment achieves that in making sure that in the first instance, for the next few years anyway, we are keeping our eye on this and a close eye on it. In the long term, if costs are so high, as suggested, then perhaps they can be looked at to be brought down and if it is going to be that much to keep an eye on this sort of thing, no wonder the Civil Service costs as much as it does.

2.2.8 Deputy D.J. De Sousa:

I would just like to echo the points that the Connétable of St. Lawrence made, my colleague on S.E.B. We absolutely do ask searching and sometimes uncomfortable questions, we ask them both in meetings that we have and we also go and see the civil servants and ask them when we are not meeting, we also ask questions through emails. Members will be aware though that when this came up before S.E.B. I was off long-term sick, and I was absolutely incognito, and this is the reason that I did not bring an amendment in the same vein as the Deputy has and I will be supporting the amendment.

2.2.9 Connétable S.A. Yates of St. Martin:

I was very interested to listen to the presentation of Deputy Le Hérisier about his statistics on Japan and the likening of this virus that seems to control or promote high salaries for top executives. In my fairly wide travels in Japan I do confirm that there is a different culture, there is an absence of self in the typical Japanese person. In fact, what he has is loyalty and this loyalty is family, street, city, his company and it is the success of all those entities that drives his culture and it is a culture which I think I would like to see more of in the Western world. I will be supporting this amendment.

2.2.10 Deputy A.E. Jeune:

I believe it is important at this stage that a close eye is kept on what is going on. I am very uncomfortable with the way in which it appears to me States H.R. (Human Resources) departments

treat Members of this Assembly when they refuse to impart information in relation to additional monies, either in benefits or expenses, that are given to employees, as can be seen in the answer to question 23 this week.

[17:30]

It is not only about what the salary is, but what are the additional things? Okay, they do not have to tell us exactly how much it is, but if we knew: “Well, you get 2 flights a week” or: “You are only going to work 3 days a week or 4 days a week for that and we will pay you to go home and we will pay you for ...” I do not know, bed and breakfast or a hotel or a flat or whatever. We are not being given that additional information and it is important at this stage that we keep a very close eye on it, and I think this amendment is worthy.

The Deputy Bailiff:

If no other Member wishes to speak, then I call on the Deputy ...

Deputy M. Tadier:

Sir, I think there are.

The Deputy Bailiff:

Well, I think they are too late. Deputy Le Hérissier, would you like to respond, please?

Deputy M. Tadier:

Sorry, Sir, I did put my light on.

The Deputy Bailiff:

Not in time, Deputy.

Deputy M. Tadier:

Well, if one was looking up, Sir, then one would see that ...

The Deputy Bailiff:

The Chair was looking up, I am quite satisfied that this is a matter where the democratic will is clear and we can proceed to a conclusion on this amendment.

2.2.11 Deputy R.G. Le Hérissier:

I thank particularly our 2 Members from the Employment Board, the Connétable and Deputy De Sousa, I thank Deputy Le Claire and the Constable of St. Martin with his rather interesting view on Japanese culture, which is true, but it was really to show people that we have got to stand back and say: “What kind of system have we got into where it has been justified on the basis that the higher you pay, the more productivity you will get, the more effectiveness you will get?” But I was just reading a report on the Health Service in England where again productivity in the 2000s has slipped despite, of course, the Government putting in billions more, we know there is a real issue. That is what I am asking people to look at, what is going on? We have allowed ourselves to be pushed more and more in this direction and it is all, as we saw with the golden handshake situation, got out of control. I would hope that the main proposer recognises that it should be possible to do this at minimal cost and that he can accept the spirit of this amendment.

The Deputy Bailiff:

All Members in favour ... the appel is called for. I invite Members to return to their seats. The vote is on whether to accept the amendment of Deputy Le Hérissier and I ask the Greffier to open the voting.

POUR: 44		CONTRE: 0		ABSTAIN: 0
Senator P.F. Routier				

Senator T.J. Le Main				
Senator B.E. Shenton				
Senator J.L. Perchard				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy A.E. Jeune (B)				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

The Deputy Bailiff:

I hope Members will forgive the Chair for being pre-emptory in dealing with the debate in the light of that vote. Now, it is 5.30 p.m., and ...

The Connétable of St. Brelade:

Sir, I can be very rapid in summing up should Members wish.

The Deputy Bailiff:

If Members wish to continue until ... very well, that seems to be the view. We return to the main debate and does any other Member wish to speak on the amended proposition? Senator Routier?

2.3 Salaries over £100,000: process for review and scrutiny (P.59/2011) (re-issue) - as amended

2.3.1 Senator P.F. Routier:

The figure of £100,000 has been chosen as a figure to aim for. I do have a concern that there may be some employees who have the potential to earn £100,000, perhaps their actual salary might be a lot lower than that, but with overtime and everything else, they may be able to increase their earnings up to over £100,000, so I would hope the States Employment Board might look closely at that potential to earn over £100,000 as well as those who would definitely have a £100,000 initial salary.

The Deputy Bailiff:

Does any other Member wish to speak? I call on the Connétable of St. Brelade to reply.

2.3.2 The Connétable of St. Brelade:

Yes. In response to Senator Routier, I think there is no doubt about it that the overall package needs to form the £100,000 and we would be cognisant of that. In summing-up, I would refer once again Members to the C.A.G. Report of March regarding the management of senior posts and the 7 recommendations flowing from it. I would also refer Members to R.41, the States Employment Board Annual Report, and to R.71, the States Employee Remuneration Report. We do not believe we are secretive and, while Members of the Employment Board are well aware of the public interest in the matter of high salaries, they will doubtless apply themselves diligently to the oversight of potentially contentious issues. The adoption of P.59 as presented and amended will enable them to do this by giving greater clarity to Members and by so doing enlist their support in this area. I would put the proposition on behalf of the Employment Board and ask for the appel.

The Deputy Bailiff:

The appel is called for. I invite Members to return to their seats. The vote is on whether or not to adopt P.59 as amended and I ask the Greffier to open the voting.

POUR: 46		CONTRE: 0		ABSTAIN: 1
Senator P.F. Routier				Deputy M. Tadier (B)
Senator T.J. Le Main				
Senator B.E. Shenton				
Senator J.L. Perchard				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				

Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

The Deputy Bailiff:

There are 2 other matters which arise but first I give notice to Members that an amendment, has been lodged by Deputy Le Fondré to the North St. Helier Masterplan - P.73. Chairman, you have some suggestions to make about the conduct of business for the rest of the sitting, I understand?

The Connétable of St. Mary:

Yes, Sir. I am sure Members will appreciate business has been moving extremely slowly in this sitting and we have a number of important items still to get through in the scheduled time available. I have 2 pleas: first, obviously, just by moving business along does not solve the problem that we do need to deal with it, but I would ask firstly could Members who have business lodged for this sitting give any consideration - I have already had some indications - about whether there could be a more relevant place to have that business listed for debate? Secondly, could Members also overnight give consideration to whether they would be happy to sit on Tuesday and Wednesday next week if necessary and I will bring that to the House when we come to the end of time tomorrow?

The Deputy Bailiff:

Chairman, when you say further other time for the debate of any particular propositions, you have in mind presumably putting those propositions back to September do you, because the list is extraordinarily full for the rest of the session to July?

The Connétable of St. Mary:

It is, Sir. But we do have some extra days built-in, an extra sitting built-in, I believe. I am just hoping, Sir, not to make any decision now but just for Members to give some overall thought to the situation. Having said that ...

Deputy R.G. Le Hérisier:

Sir, is Tuesday and Wednesday suggested on the assumption we will work the rest of this week to Friday?

The Deputy Bailiff:

I understood the Chairman to be suggesting that we would close at 5.30 p.m. or thereabouts tomorrow and then reconvene on Tuesday or Wednesday and Members will no doubt consider that and give the due ...

Senator B.I. Le Marquand:

Sir, could I point out that I need to attend my mother's funeral on Tuesday and therefore the 2 matters that I have down for debate I could not present on that day. As long as Members are aware of that, either they need to be brought forward to Friday or pushed back to Wednesday. But I think that Members will understand this is a rather important issue from my point of view.

The Deputy Bailiff:

The Minister for Home Affairs was indicating that for personal reasons he is unable to be present on Tuesday if the States were to resolve to sit then, but the States are not being asked to resolve anything at the moment so it is a question of giving thought to it overnight and no doubt the Chairman will make such a proposition as she thinks fit at the close tomorrow. The States now stand adjourned until 9.30 a.m. tomorrow.

ADJOURNMENT

[17:38]