

# STATES OF JERSEY

## OFFICIAL REPORT

WEDNESDAY, 16th FEBRUARY 2011

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[09:30]

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

**PUBLIC BUSINESS – RESUMPTION**

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

Out of courtesy to the Assembly, could I just advise Members that Deputy S. Pitman and I will have to leave at some point later this morning due to attending the funeral of Mr. Emile Collins.

**Deputy M. Tadier of St. Brelade:**

Can I do the same and could I also propose the closure motion on this debate.

**The Bailiff:**

I understand, Deputy Tadier, that you have already spoken; therefore you cannot propose a closure motion. Very well. Before we resume the debate on that, can I just inform Members of 2 matters which have been tabled. The first one is comments by the Minister for Social Security on Projet 4. That is the amendment to Income Support: Cold Weather Payments and secondly, a fourth amendment to the North of Town Master Plan lodged by the Deputy of St. Mary.

**Deputy D.J. De Sousa of St. Helier:**

Sorry, Sir, before we proceed, I too will be going to Emile Collins' funeral.

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

May I take this opportunity before we begin to inform Members I will be withdrawing P.18 of 2011, Oral Questions Without Notice. It is down for debate for 1st March.

**1. Minister for Treasury and Resources: Request to Chief Minister to Lodge Proposition for Dismissal - Petition (P.16/2011)**

**The Bailiff:**

Very well. So now we return to the debate on Projet 16. Deputy Jeune.

**1.1 Deputy A.E. Jeune of St. Brelade:**

I have said in this Assembly before who would be the Minister for Treasury and Resources? Whether he likes it or not, he has a duty to bring to this Assembly measures and budgets necessary to ensure we provide essential services yet balance the books. We charged him to do that and when he brought his budget to us, we approved it. We did not have to do that but we did, we, in this Assembly, in this case, being the majority of Members and that is democracy. The Deputy could have brought a vote of no confidence and perhaps in his summing up he would be good enough to tell us why he did not do that. Senator Routier is not alone in having the public stopping him, being very distraught, being angry, feeling they were duped into signing something that they had not been fully informed of the small print. While I respect that Deputy Tadier said he made it very clear to those who he spoke to, they certainly were not those persons who have spoken to me. The proposer, in my opinion, is extremely misguided in his belief and the understanding of the power of the Minister for Treasury and Resources who he seems to think says "Jump" and everybody does because that is far from the truth. As far as I am concerned, the Minister for Treasury and Resources does listen. We do discuss matters but the reality is we will not always agree on everything. But in going full circle, it all comes back to this Assembly. We take the responsibility. When we came into this Assembly, we knew that it was highly likely that there were very difficult decisions to be made and I believe the Minister for Treasury and Resources and many of us will not be derailed in doing what we believe is in the best interests of the people of Jersey and Jersey's future. We only have to look to the U.K. (United Kingdom) and know they have major problems.

The rest of the world has major problems and we are no different. I have to say I have the advantage talking this morning inasmuch as I heard the radio and I heard a speaker on the Jersey BBC radio this morning making it very clear that what Jersey's Minister for Treasury and Resources and this Assembly are doing in Zero/Ten is definitely in the interests of this Island. I will not be supporting this matter.

## **1.2 Deputy R.G. Le Hérissier of St. Saviour:**

I heard the radio and the person saying it was in the best interests of the Island was of course Senator Ozouf himself. **[Laughter]** **[Approbation]** Admittedly, he was followed by a domestic chartered accountant by the name of a Mr. Murphy who obviously took a different view and maybe Deputy Jeune had tuned out at that point. I am not saying who I support but there were 2 very distinct views put forward. What I would like to say is I do think this is the wrong proposition, I am afraid. I do support Senator Le Gresley in that regard. If there was anybody who was going to be the target, it should have been the Council of Ministers. There is no doubt and I know it has been said to people: "Oh, yes, I did sign the wrong petition but now I realise it was about Senator Ozouf, I would like to sign 20 times." **[Laughter]** I have sort of picked up those comments but, in fact, it should have been a more general discussion about Council of Ministers' policy. Those of us who have been in politics probably for too long **[Aside]** **[Laughter]** have realised that the Jersey electorate - thank you for those kind words - have realised that the Jersey electorate holds some very paradoxical views. One of them is that they like a lot of their politics to be of the centre. They like their politics to be fairly conservative economically but with the people running the show to show a degree of compassion in the way they run the show. That basically is how they do not divide. I was very interested in Deputy Martin's analysis of left/right. They do not divide into that traditional left/right camp as easily as some of us think. What is concerning them is the fact that they think the Council of Ministers has lost touch with the electorate. Oddly enough and I have pursued this theme some time ago, it is the traditional voters who are feeling this in quite a considerable way and they really feel they do not like the way the Council of Ministers is working. I do not doubt if they were offered a referendum: "Do you support Deputy Southern's economic policies or those of Senator Ozouf?" it is quite clear which way they would vote. They would obviously support Senator Ozouf's. That is the feedback I get from the electorate but they do not like the way that the Council of Ministers is operating. I will give you a case. I have to come back to this and I know the Minister for Health and Social Services will say: "Oh, no, not again" but we heard the salary for the future Director of the Hospital is £319,000 per annum if you pro rata it per annum. It is unbelievable. This is a hospital in a small society of 90,000 people run, I should add, by a very fine person; I have no doubt about that. But it is unbelievable how this high wage culture which was mentioned on the radio ... I tell Deputy Jeune, this morning, a gentleman called not Wilfred Pickles but Mr. Eric Pickles, the Minister for Local Government, went on and said any position over £200,000 in local government will now be subject to full approval by the Councillors in that jurisdiction. **[Aside]**

[09:45]

Oh, £100,000? £100,000, I thought it was £200,000, £100,000. He said there were I think about 15 positions over £200,000 and what he was saying is this whole culture of high wages at the top of local government has got totally out of control. **[Approbation]** We have been seduced by this and we are looking foolish, a jurisdiction of 90,000 people and we are paying people money that would run the finest teaching and biggest and complex teaching hospitals in the United Kingdom. In fact, it probably does not reach that. It is absolutely ridiculous and this is what people in society are complaining about. They are absolutely fed up and they cannot work out and I cannot work out and there are some figures in answer to my written question they cannot work out how the international office in Brussels has zoomed up to this unbelievable cost. The cost is obviously slightly neutered because we are sharing it with our fellow Island but if you still say it quickly, £800,000, it is unbelievable. Now there may be an office cat employed **[Laughter]** as there now is at 10 Downing

Street and here I pause for thought **[Laughter]** they may be taking up some of that expenditure because there is an awful lot that has not been explained. I do not know what an Ambassador to Bulgaria was earning before he became Assistant to our Foreign Minister. I do not know but it looks unbelievable and we have allowed this culture to take hold and the people out there are fuming. They fume when they see another announcement of cuts which, to be fair to the Minister for Health and Social Services, she has withdrawn in part, when they see another announcement of these pettifogging cuts to voluntary bodies, for example. They say: “How can you reconcile these 2 things that are happening in your organisation?” **[Approbation]** What I say to the Council of Ministers, yes, Senator Ozouf has been identified as having a particular style and unfortunately, rightly or wrongly, has been seen as having become entrenched in the Council of Ministers a Machiavellian style. There are Rasputin people on the fringes of that Council who are allegedly social friends I am told when I mentioned the Rasputin to one of them. He said he was a social friend and that I had got it totally wrong. There are these people involved and there is this feeling that decision-making has become concentrated to a very, very small inner circle of people **[Approbation]** and that they have lost touch with the wider feelings in society. As I said, a lot of it would be for the reinstatement of fairly small C conservative policies and conservative approaches to the way these policies are handled. Oddly enough, I had a fleeting thought that Deputy Southern might have been a good member of the Council of Ministers because he would have challenged them. **[Approbation]** He would have really put them to the wall and made them think about the direction in which they are going and to which they seem entirely oblivious and I really ask them, pull back. You are alienating the very people upon whose support oddly enough you depend. These people are very angry. They do not know which way to turn. I am afraid that, despite all the work and effort, they will not turn to the J.D.A. (Jersey Democratic Alliance) but they definitely want a different approach taken. They definitely want more compassion. They want more sense in the way we are handling policies and they want some of these immense contradictions, particularly this notion of a high wage culture, we are an independent nation and we will therefore finance and act as an independent nation culture, reined in. So I find I cannot vote for this because I do not think it is fair in that sense to blame Senator Ozouf although obviously there are enormous fears about what the new Council of Ministers is going to look like after the elections, and people feel they do not criticise the energy, the commitment, which is clearly there, what they criticise is the lack of checks and balances in the system. I was a great enthusiast and well still am for ministerial government but there is no doubt we are operating it without checks and balances. Those of us on scrutiny who still believe scrutiny has a role although it is becoming, it has to be said, more and more difficult to argue this, unfortunately that role has not come forward and it certainly cannot be the role of an opposition which is posing real problems. It is posing real problems and I ask the Council of Ministers to step back and look at how you are acting because people are getting alienated. Your traditional supporters are alienated. They are fed up with the...

#### **The Bailiff:**

Deputy, through the Chair.

#### **Deputy R.G. Le Hérissier:**

Yes, Sir, I ask you to ask them or I ask you. **[Laughter]** **[Aside]** I ask the Chair to kindly pass on my sentiments. So I say I cannot quite repeat that famous House of Commons comment I think before the war: “Go and do not return” or words to that effect but I do think the Deputy of St. Mary raised that very good point. There are major issues about policy, let there be no doubt about it, but it is the way that the Council of Ministers have lost touch with people which is the real issue and which, in a sense, should be the subject for debate.

#### **1.3 Senator B.E. Shenton:**

Before I start my speech, I would just like to comment on the speech of Deputy Le Hérissier. It was the speech of someone who does not seem to realise that he is in the Chamber. He is a



politician. It is his job to make sure things do not go wrong and it is his job to push things. It is his job if he is not happy with the salaries at Health to do something about it. Do not make a speech as if you are not in the Chamber, and if you are in the Chamber take some responsibility for what you have been elected to do. **[Approbation]** It is very easy to sit on the fence and criticise. How about rolling your sleeves up and doing something about it? **[Members: Oh!]** **[Aside]**

**The Bailiff:**

Through the Chair, please, Senator, through the Chair.

**Senator B.E. Shenton:**

I am speaking on this proposition out of courtesy to those that signed the petition that knew what they were signing. There are, as far as I can see, 2 issues here. One relates to the economic situation that the Island finds itself in and the other relates to the frustrations of the less leaning Members of this Chamber who fail to realise that their own political impotence is largely of their own doing. In respect of the economy, Jersey is entering a new paradigm, a new phase in its existence, in the investing world, a totally new way of doing things that will have a huge effect on business. The ramification of this change is that the golden days of the finance industry subsidising every aspect of society, the days when we were so awash with funds that tax and benefit fall took low priorities, the days of the light touch examination are well and truly over. If we want to keep States spending around current levels, personal taxation will need to pick up the shortfall. There will be a fine tightrope which we will have to walk in order to award the entrepreneurs and the hardworking while protecting those that are in genuine need. There will be no room for excess baggage and those that seek to play the system will have to deal with the ramifications that we will have to put in place. We cannot support those that make a lifestyle choice to live off the State. The line: "You do not know what you have until it is gone" may have some resonance over the coming years. Aspects of the income support system are extremely generous. Indeed, without the strong tax flows from the finance industry over decades, the social welfare provision would be much lower on this Island. Over the past 30 years, the Island has made great strides in social welfare. The J.D.A. associates should acknowledge this fact rather than continually running down an Island that I am very proud of. Margaret Thatcher was famously quoted as saying that: "Socialism only works until you run out of other people's money" and there is much truth in that. The principles of looking after the less fortunate, providing support and opportunity and trying to make Jersey a more inclusive society are prevalent in the Council of Ministers, despite what opponents may think. However, this must all be funded. There has been much talk about Zero/Ten yet few outside the finance industry really understand what it is. The old tax system, the one that brought the Island such prosperity to the extent that we had money coming out of our ears, has been judged to be unfair or, to put it another way, illegal, the reason being that we had 2 tax rates, 20 per cent for the locals and zero per cent for overseas companies. The zero per cent for overseas companies attracted them to the Island and built up our finance industry while the 20 per cent local rate helped keep our coffers full. So it was ruled that the rate for both local and overseas companies had to be the same. This caused a dilemma. Charge everyone 20 per cent and say goodbye to the finance industry or charge with a few considered exceptions zero per cent. If we took the road suggested by the J.D.A. of taxing everything, we would lose the finance industry, face massive unemployment, severe cuts to all social benefits, rising income tax and rising G.S.T. (Goods and Services Tax). I sat with Danny Blanchflower, who is often quoted by Deputy Southern, at a seminar and I found most of his arguments severely flawed. By taking the latter route, the Zero/Ten route, we protect our prosperity and if we can identify a method to force overseas companies trading in Jersey to pay more, which may be possible, we have a near perfect solution. So who should we be having the vote of no confidence in? Senator Ozouf, on his road to prosperity, or Deputy Southern on his road to bankruptcy? As Winston Churchill said: "There are 2 places only where socialism will work: in heaven where it is not needed and in hell where they already have it." Turning to the second aspect of my speech concerning the frustrations of the left,

may I offer them some friendly advice. Cut out the vitriol; knock the chips off your shoulders and start working with your elected colleagues to build a better Island.

**The Bailiff:**

Through the Chair, please, Senator. We cannot have personal remarks addressed to other Members, please, Senator. **[Aside]** Deputy Pitman, we cannot have personal remarks addressed to other Members. I just said that and you have just made a personal remark addressed to another Member.

**Deputy T.M. Pitman:**

I am sorry, Sir, I do apologise.

**The Bailiff:**

I have just ticked off Senator Shenton for doing it. I do not expect another Member to immediately disobey a ruling of the Chair so please stick by rulings of the Chair, Deputy. **[Approbation]** Now can we please keep tempers calm? This is a debate about policy and should be confined to that.

**Senator B.E. Shenton:**

I voted for Deputy Green to be Minister for Housing. Yes, I believe that Deputy Southern made a much more compelling and researched speech and I did not vote against him because he is Deputy Southern or because he is a member of the J.D.A. I voted against him because I did not believe he could work with the Council of Ministers. I did not believe that he would treat them with respect.

**The Bailiff:**

Senator, I am sorry, this surely is rather drifting off the subject. This is, at the moment, a proposition as to whether the Chief Minister should dismiss Senator Ozouf, not whether he should dismiss...

**Senator B.E. Shenton:**

It is the reason the proposition has been brought.

**The Bailiff:**

Well, please make sure that what you say is relevant to the proposition as opposed to a criticism of other Members.

**Senator B.E. Shenton:**

Okay; and I do not believe that he would get that respect back from the Council of Ministers. I could also not put my faith in someone that brings votes of no confidence at the drop of a hat. Yesterday Deputy Pitman asked to be considered as Assistant Minister and yes, he probably would have much to contribute should he be chosen as Assistant Minister for Education, Sport and Culture. Yet how could the Executive work with someone who makes vicious personal and political attacks at every opportunity? **[Aside]**

**The Bailiff:**

Well, Deputy Pitman, you had made an attack when I particularly said that it could not be done so nevertheless, can we please not attack other Members.

[10:00]

**Senator B.E. Shenton:**

There is, within this Chamber, I believe, an “us and them” mentality which I largely, to some extent, blame Senator Ozouf for but I do believe that it is time that this came to an end. If this did come to an end, then we would not have these votes of no confidence and the Assembly would encompass a wider range of political views. I believe that this proposition has been brought about

because of the frustrations of some Members of the Assembly and I believe it is time for those outside and inside the Executive to take a long look at the way we all try and achieve our aims. If we do not, then our voices will never be heard and Members within this community will never fully be able to utilise their talents or achieve what they wish. I have no doubt that Deputy Southern knows that this proposition will be heavily defeated and when it is heavily defeated, I believe he should ask himself what he has achieved, what influence he has failed to bring on policy because of his constant criticisms, the bright ideas that may have been ignored because of his constant attacks and ask himself what his style of politics is achieving. If he wants to be listened to, then Deputy Southern has to start talking and listening to politicians like Senator Ozouf and if Senator Ozouf wants to be Chief Minister, he needs to start talking and listening to politicians like Deputy Southern.

#### **1.4 Senator A.J.H. Maclean:**

The previous speaker, Senator Shenton, made some good points. He made a number that I did not agree with and, in fact, it goes to the heart of this particular proposition, the personal nature of the proposition in question. I was disappointed when Senator Shenton, for example, said of Deputy Le Hérissier it is easy to criticise. If ever I have heard a kettle and black **[Approbation]** springing to mind **[Laughter]** then that would perhaps be it. I thought that was very disingenuous to Deputy Le Hérissier. **[Laughter]** I am merely observing and using as an example some criticism that is going on within this Assembly, which I do not support. I also noted earlier on Deputy Le Hérissier himself was referring to some radio commentary in relation to, I think, comments that Deputy Jeune had made and, just briefly to comment, I also heard the exchange this morning. There was one U.K. accountant who has a particular beef against Jersey giving his view on our business tax position in Zero/Ten. There was a local accountant very supportive. Jersey Finance is very supportive. The industry is very supportive and Members will not be surprised that I know the majority support this, that the policy taken on Zero/Ten is absolutely right for Jersey, and I was pleased to hear Senator Shenton also supporting that position. It brings to mind, certainly for me, I was in the U.K. last week at an event British-Israeli Chamber of Commerce event. I also had a meeting with the *Financial Times* and it very much brought to my mind the fact that there is a small minority of people within the Island who are continuously criticising the Island and what is occurring here. Yet, from an external point of view, the viewpoint is entirely different. The view from business people, from large sections of the media in the U.K., is that there is a great deal of admiration for Jersey and the way in which we conduct our affairs **[Approbation]** and I think we can all be proud of that. That does not mean that there are no problems locally, of course there are problems that this Assembly clearly has to deal with. Deputy Le Hérissier referred in particular to some disquiet among the public, what he called sort of “Middle Jersey” I think he was probably referring to. They do not like the way in which the Council of Ministers is operating. I am not sure whether it is the case that they do not like the way the Council of Ministers is operating or that they do not like what they read or hear in the media. I say that because there is a disconnect often between what is happening, the reality, and the way in which at times it is reported. Now I have to say it is not only the media that should be blamed for that. It is. We need to communicate better and I think we need to communicate better both internally with Members of this Assembly and I think we need to communicate a lot better with the public because fundamentally there is an awful lot of good decision-making going on, both with the Council of Ministers and, of course, with this Assembly where ultimately the final decisions are made. Returning, as I am sure you will be keen to hear me do, directly to the proposition, I do struggle to understand the purpose of this proposition. It does strike me as being nothing more than a personal attack on a particular individual. It is what I consider to be destructive and unnecessary and the way in which it was undertaken with unsavoury posters in the middle of St. Helier and other comments, I do not think there is a place for that personally in Jersey politics. If the issue is about G.S.T., if the issue is about policies, then I fail to see why this proposition has been targeted at solely Senator Ozouf. It is, as other Members have already said, a matter that the Council of Ministers have had to deal

with. The Council of Ministers considers proposals brought forward by the Minister for Treasury and Resources for the budget, for example, for the Business Plan, and there is and I can assure Members of this, robust debate among members of the Council of Ministers. There is no question that it is just a unanimous decision on a number of issues. I am seeing one Minister nodding now and smiling ruefully because he and others have challenged decisions that have been proposed and put forward as part of the Business Plan. Senator Ozouf has to fight his corner but at the end of the day, it is a collective decision, not necessarily a majority decision, but a collective decision and that is exactly as it should be. After all, once that process is concluded, this Assembly then debate and either support or reject a Business Plan or a budget. The Business Plan and the budget have been through this Assembly and have been supported after a great deal of debate and so quite frankly it gives little purpose and point to this rather disjointed proposition. In fact, the proposition is curious. It refers in some parts that the Council of Ministers has taken a number of actions. In other parts it refers to "his" policy in terms of Senator Ozouf. Indeed the petition itself refers to the Council of Ministers. It does not refer to Senator Ozouf. It is entirely confusing when you read it and clearly the public who signed it, or certainly a number of them, I would suggest, have been misled by the way in which it was presented to them. Senator Ozouf - and I was delighted and pleased to hear that other Members have made these comments - has been recognised for exactly what he is. He is hardworking, dedicated and widely respected for the energy he puts into his role. The way I would summarise quite simply the considerable contribution that the Senator has made to politics in the Island is that at the centre of what he does is his complete and utter dedication to get policies and decisions right for the Island of Jersey, for this Island, and I believe that he has at heart everybody's consideration wherever they sit within the Island. It is not a question of just supporting or favouring one section of the community above and beyond the other. The world, as Members will know, has changed considerably since 2008 when obviously there were major banks failing, banks threatening to fail, countries close to collapse, financial systems threatened and it is curious as part of this proposition that Senator Ozouf is criticised although I understand the rationale behind it. It is an easy criticism that he changed his mind. He changed his mind with regard to an aspect of G.S.T. and frankly I was not surprised because of the significant changes that have occurred since then. It is, after all, a thinking man who reacts to the circumstances that are occurring and unfolding and the circumstances we have seen in the world in the last 2 years alone, more disruption and change than we have seen probably in more than a generation and it is right to react to those changes and to deal with the very difficult challenges that the Island has had to face and will continue to face as we move forward: the need to balance our budgets, the need to cut our costs, the need to ensure that revenue streams are where possible protected and we look at opportunities for economic growth to help fill our fiscal deficit. All of these issues are difficult issues and some of the solutions, as Members know, and members of the public will be aware, are not easy solutions. They are very difficult solutions and they are unpopular solutions in areas, certainly in the short term. But longer term, I have absolutely no doubt that these difficult decisions that have had to be made will lay a strong foundation for the future prosperity of this Island and I think it is important that we focus on the long-term and not the short-term. In the short-term it is very easy to make populist decisions and other neighbouring jurisdictions have perhaps made such populist or easy decisions. We have taken the more difficult road but the long-term road that will lead to long-term prosperity for the Island. I would urge Members to reject this proposition. I really do not see there is going to be a lot of support. I think Members recognise that this is a personal attack on one particular Member. I think it is unjustified, it is unfair. If there is going to be an attack on policy, it should be the policy of the Council of Ministers and, indeed, the decisions that have been taken by the wider States and this Assembly.

### **1.5 Senator J.L. Perchard:**

After the 2 previous contributions, there is not a lot more to say but I just want to say a little something about petitions. I saw the well-wrapped up people collecting signatures in King Street yelling like barrow boys for signatures. They reminded me of walking through the West End and

seeing Cockney lads selling onions, 2 for £1 or 5 for £10 or whatever. It was a sales pitch and it was very attractive. I stopped to talk. I just wonder about the value of petition. If I asked Members this morning would it be nice next Christmas morning to wake up with a blanket of snow covering Jersey, I think most of us would subscribe to that. Perhaps the Minister for T.T.S. (Transport and Technical Services) would not. Should we have a roast dinner on Sunday? Would you prefer it hot or cold? There are some obvious answers to certain questions. Would you like your government to reduce public spending? I think most people would say yes. Would you like G.S.T. to go up or do you want G.S.T. to go up? I think it is a pretty safe bet most people would say no. The answers to these questions, particularly the questions about tax and spend, are very complex and I think it is unfair to expect the people of Jersey to make an informed decision without knowing the facts. Senator Shenton and Senator Maclean previously touched on the very important issues of Jersey's competitiveness in what is an international finance sector. Recently we entertained officials and the Premier of the Cayman Islands. Members may not know this but in the Cayman Islands, there is a zero rate of corporate tax. There is a zero rate of income tax and there is a zero rate of G.S.T. and V.A.T. (Value Added Tax). They have a 22 per cent levy on all products. Now we are competing with jurisdictions like this and if the intention is to load our corporates or individual higher earners, they will simply leave these shores and go to shores where they can operate and trade more efficiently. Jersey has to offer a competitive environment for our business sector. Our business sector maintains the lifestyle which we have come to enjoy. We have a wonderful health system, a very good educational system. We have a wonderful safety net for those less privileged among us and, quite frankly, this is not a bad place to live. I am fairly well travelled and I am always pleased to come home to this wonderful Island. I think it is very difficult to govern by petition. It is without those signatories on the petition being party to the full information and understanding the consequences of their signature, and I do feel we must take petitions as an indication of public feeling but not necessarily as an instruction. A petition is not a referendum.

[10:15]

#### **1.6 Deputy P.J. Rondel of St. John:**

I follow on from the previous speaker re petitions. This petition in particular having named a specific Member I think is out of order, totally out of order.

#### **Deputy G.P. Southern of St. Helier:**

Sir, it does not name. It labels the Minister for Treasury and Resources.

#### **The Deputy of St. John:**

I am not giving way. I am not giving way, Deputy. Having identified the Minister for Treasury and Resources in the way it has been done I think is totally wrong. The Council of Ministers and their Business Plan, and I hope the Chief Minister and the Council are listening, should in future be delayed, not brought to this Assembly so it can be debated and amendments brought. The Council of Ministers should stand or fall by their Business Plan. That way then you could have a petition that we could debate and, at the end of the day, we could say: "Yes, the Council have made a mistake here. They should fall by it." But it is our Business Plan because we are allowed to bring amendments and within those amendments we are monkeying, for want of a better word, or stirring the pot and making it, in a lot of cases, unworkable for the Council of Ministers. I am not a big supporter of the current system because you have got too much power in too few hands and the Council themselves do not help themselves by not trying to be more open with the full 53 Members and, in fact, with the public. Middle Jersey are the people who are now suffering the most and that has been mentioned by 2 or 3 other speakers over the last few hours. We have seen things happen like we have had an Assistant Foreign Minister appointed and we see him being very high profile in a number of areas. We even see a new flagpole in his garden carrying the Union flag. Well, if he is our Foreign Minister, should he not have the local flag alongside the Union flag?

**The Bailiff:**

I think that is addressing personal...

**The Deputy of St. John:**

I am not giving way, Minister.

**Senator F.E. Cohen:**

I was hoping that the Deputy of St. John might offer a new flag for me. He indicated that yesterday, thank you. [Laughter] [Aside]

**The Deputy of St. John:**

Yes, if the Minister has a problem. I did advise him yesterday evening where he could purchase a flag. [Laughter] [Aside] But whether he has bothered to just walk up New Street to see whether he could purchase one or not I do not know. He has probably arrived too late this morning to go there. But getting back to the Council of Ministers. The Council of Ministers have brought a lot of this upon themselves by not being open. To have 9,000-odd signatures re G.S.T. ... but I would suspect a lot of the people who signed did not read in its entirety what they were signing and if, as has been described by Senator Perchard, the Members who were getting people to sign the petition, were acting like barrow boys and consequently people would go across and nobody wants to pay more G.S.T. than they have to, consequently people would sign. They would not necessarily look at the entire document they are signing because they all see a lot of other names: "Oh, I will sign that" and they go ahead. But it is middle Jersey who do not understand what is happening within our government because we get these press releases given by the press corps within the Chief Minister's Department. It is pre-prepared where historically you would see a President of the day being interviewed and it would come out naturally and other Members would be fully au fait on what was going on and that does not happen any longer. We get these press releases. We had one yesterday from the Minister for Education, Sport and Culture on a question that I asked him an hour earlier and so that is obviously all pre-prepared. I hope this is a wake-up call to the Chief Minister and his fellow Ministers that they have to be far more open with the people of Jersey, far more open. They have to be far more open with the Scrutiny Panels they visit. It is all well and good for the Ministers who come in front of me and say: "Yes, you can have all the information." Then you find out that the Minister himself has not been, in some cases, fully informed by his officers or the information that the Minister has got is being held up because it is the A.G.'s (Attorney General) office or some other office and therefore they cannot give us the information and we cannot get on with our business. It is not only the Ministers and their various ministries that have got to make this Island operate. The remainder of us in our various spheres, like in my case in scrutiny and as a Chairman, we have things that have to happen within a certain period of time. It is all well and good us putting our reports out but if we cannot put our follow-up reports out because we have not had information back from the Council because things are being held up in another department, in the Legal Department or wherever, these are the things which the Chief Minister's Department need to get their heads around. We could all benefit by a rethink. I sincerely hope we do before the end of the term of this particular government. Look at bringing an outside body in to look at the government because it is not working. It is not working as it should. But I get somewhat frustrated when I see former Senators and the like and Deputies making comments about the way the Assembly is run at the moment, given they were around and brought to this Chamber Clothier, as it was, and I will mention the name of the former Senator Horsfall who brought Clothier to this Chamber. I can recall asking that particular Senator when we debated Clothier to put the meat on the bones. He said: "No, accept it in principle and we will put the meat on the bones later." That never happened because that particular Senator left office at the end of that particular term and left us with what we have today. If there is a fault anywhere about what we have, I do not want to be dictated to by former Senators who did not do the job that they were supposed to do and they have left it to the current membership to sort it out. I think these people should step aside and look from

the sidelines and see if they came back into the Assembly and see if they could do anything better. Yes, we have to do something and I think we have to bring an outside body in to instruct us how this is to be done because 10 years after Clothier, I think things have moved on plus we are in the middle of the biggest recession since the Second World War. As a point as far as government is concerned, as far as I am concerned, I would be happy to open up this Island to a 10 or 15 per cent tax. We would have money coming in from everywhere. This Island would benefit, not go the way the proposer would like to go, put taxes up to 25 or 30 per cent. We would have people willing to move to this Island to pay tax in large numbers. There are different ways of looking at how we can collect our tax and we can bring a lot more tax in by dropping our tax to 10 or 15 per cent. We will have a lot of people wishing to invest in Jersey or through Jersey. That is a way of filling our black hole, not go down the route the proposer wishes in the way he has been speaking and the like and pushing taxes up. I would prefer to see us bring them down so we bring the investment in from outside and make Jersey what it has been in the past and hopefully will be in the future, a really successful place. A lot of our problem is lack of communication and we have had too much dictatorship in the last 4 or 5 years. That has to change, Chief Minister. I am not supporting this proposition but I have to say what I have said because I believe the Ministers themselves and all of us, whatever position we are in in this Chamber, need to work as a team but we expect you to be far more open with us. How can we help make things happen if we are not kept within the loop?

**Senator F.E. Cohen:**

Point of information. As the Deputy has a particular interest in my flagpole, I would like to extend an invitation to him to raise the Jersey flag on my flagpole this weekend for the first time. [Laughter]

**The Deputy of St. John:**

I would be delighted to do it but I cannot do it this weekend. I will be off Island. [Members: Oh!]

**1.7 Connétable G.F. Butcher of St. John:**

I am not sure how many more people are wanting to speak but I would like to invoke the closure motion, Sir.

**The Bailiff:**

At the moment, I simply have 2 more. So do you wish to propose the closure motion? Has the Constable of St. John spoken? Yes, you have to give 30 minutes' notice though so they all get a chance to...

**The Connétable of St. John:**

Yes, that is what I meant, sorry.

**The Bailiff:**

Very well. Deputy Fox.

**1.8 Deputy J.B. Fox of St. Helier:**

I was going to propose the closure motion. I think everything has been said and I shall not be voting for this proposition.

**1.9 Deputy M.R. Higgins of St. Helier:**

I personally wish that this was a motion of no confidence in the Council of Ministers rather than just the Minister for Treasury and Resources. Why? Because in my view, the Council of Ministers lacks vision. What have they done to inspire or to improve the life or situation of the people of Jersey? I personally can think of nothing over the last 3 years. They also appear to lack sympathy for, or have any empathy with, the ordinary men and women of this Island who are struggling through these difficult economic times. They are responsible, through their policies, for widening

the divisions in this Island between the rich and the poor. The inequality gap, I think, is getting wider. The divisions between the young and the old; those who own their own homes and those who do not; those who are in employment and those who do not have jobs; and those who see their future in the Island and those who cannot see a future for them or their children in the Island and they are leaving. But to use an expression which is often used in this Assembly and one I personally dislike, we are where we are and as the Minister for Treasury and Resources is - as the Deputy of St. John often quips in this Assembly - the “real Chief Minister”, the man behind the throne, the man who orchestrates the Council of Ministers’ policies and like Machiavelli works behind the scenes to persuade or cajole Members of this Assembly, I will concentrate on this one Minister. I, like many others, recognise his tremendous energy and acknowledge that he is constantly rushing from one thing to another. In fact, the Minister for Treasury and Resources is like a whirlwind. Unfortunately, like a whirlwind, he is not directed and focused and leaves a chain of destruction behind him no matter which direction he has been travelling. For example, while he has been in this Assembly in the various roles that he has had, he approved the award-winning carbuncle on the Waterfront, the Radisson. He was responsible for reducing maintenance spending in the departments in which he was a Committee President or Minister which has resulted in us having to use economic stimulus money to deal with some of the serious and expensive messes he left behind. I find his contribution to industrial relations in the Island appalling. I disagree with his gung ho and macho approach to industrial relations and collective bargaining in which he has not only destroyed the goodwill that existed in the public sector but he is also in danger of driving States workers into work to rule and to strikes. His negotiating style is to get everybody’s hackles up right from the very start with the result that he even unites groups who were not united before they went into the negotiations. I disagree and dislike his use of spin and the use of smoke and mirrors including the current spin on Zero/Ten. But my main criticism and concern is over the way I believe he may implement economic policy in the months ahead. Now he has pushed through economic policies which, yes, while they have the approval of the majority of the Members of this Assembly, could cause greater problems for the Island than we have at the present time. We are moving from a situation where we have agreed economic stimulus of £44 million to try and keep people in work and to keep the economy going, following that with £65 million of cuts on the public sector which is going to lead to loss of staff and also loss of work for the private sector because obviously the public sector employees and an awful lot of companies in this Island provide goods and services for the people of this Island.

[10:30]

So not only will public sector jobs be lost if these cuts are implemented too quickly or too sharply, so will private sector jobs. Now my main concern is that at the present time we have no knowledge of the state of the Jersey economy. We know we are in recession. We have seen no indicators to indicate that we are coming out of recession. The usual economic response to recession is to stimulate the economy, to keep money in to try and keep the level of demand up because the level of demand determines the employment in the Island. But we are now moving to the phase of cuts. We have started already public sector cuts. We have identified people for redundancy. Those people, when they come out of the public sector, are not going to find it easy to find private sector jobs because it is unlikely the private sector will be generating many jobs because of the level of demand in the economy. Now the Jersey economy is an open one. It really depends on providing service to the rest of the world. We are seeing local demand depressed but we are also seeing global demand depressed. If we look at the world recovery, it is very patchy. In Europe and the United States, they are just about out of recession and starting to move forward. In the Far East, China and India did not suffer as much as the rest of the world because they were not as reliant on the banking system as Europe and the United States. But the Jersey economy is a mono-economy. It is based on finance and we know that banking is depressed because people have not been placing their deposits here partly because the banks are not offering high interest rates because they know they cannot place that money elsewhere to earn a return themselves. So we are finding that



banking is somewhat reduced. So my concern with the policy of the Minister for Treasury and Resources and the Council of Ministers is, yes, if they take heed, do not rush into it and take a measured sort of approach, then we may not cause further problems. But my big fear is that the energy of the Minister for Treasury and Resources is such that he races into things, not always thinking before he does so and can cause tremendous damage. My concern is that these cuts will be imposed on the Island at a time when they will add to the recession rather than bring us out of it. Now as I have said from the start, I would have preferred it to have been a proposition motion of no confidence in the Council of Ministers because I believe collectively they have blame. There are some members of the Council of Ministers I have respect for. The inner cabal I have no respect for. They are the ones who are running this Island. All you have to do is speak to Members of the Council of Ministers who tell you they did not even know about some of the decisions that were being taken, for example, the appointment of the new Foreign Minister. They were not aware, for example, of different people being offered positions. So there is even secrecy within the Council of Ministers. It is not just the Members of this part of the Assembly who have no idea what they are doing; they do not even know themselves in many cases. So what I would say is I believe I will probably support the proposition, not that it is a vote necessarily against Senator Ozouf because I am taking it as a proxy vote against the Council of Ministers as a whole.

**The Bailiff:**

Does any other Member wish to speak? Very well, I call upon Deputy Southern to reply.

**1.10 Deputy G.P. Southern:**

As a start, may I state clearly that the vast majority of the 10,413 people who signed this petition knew exactly what they were signing and the atmosphere in which they were signing it was ... by and large, the most common thing I heard from people coming up to sign was: "Thank you for doing this. Somebody has to keep up the fight." Thank you for doing this because people out there are disillusioned and angry and disappointed and feel that they cannot influence the Minister for Treasury and Resources. They cannot influence the Council of Ministers in the system that we have. So when I am accused of being undemocratic by bringing this particular proposition, having in several ways to divert this Minister for Treasury and Resources from his clear political aims, I am accused of being undemocratic. There was a strange speech from Senator Le Gresley yesterday where he said how can a party bring a petition as it is undemocratic in some way. No, a party can listen to its members, can listen to members of the public and respond appropriately and many people ask me: "Why have you not brought a motion of no confidence? That is the way forward." Well, the fact is yes, I could have brought a motion of no confidence in the Council of Ministers. I believe at the heart of that Council of Ministers is a particular driving force, a particular dynamo and we all admire him for his energy. But there is also a political philosophy that he has which is driving this Council of Ministers and that is where I believe the majority of the problem is in order to represent the people out there who feel that they cannot have an influence in that, hence the petition. Hence the petition directed in this peculiar way because it is the way we are set up. If I do not bring a motion of no confidence in the entire Council of Ministers I await with bated breath such a motion from Deputy Le Hérissier or Deputy Le Claire who was also suggesting that yesterday and was saying it was unsatisfactory because it was not quite the right proposition. This is the proposition we have. In this peculiar way because of the way we are set up, it requests the Chief Minister who appointed, and who is the only person who can appoint and dismiss, the Minister for Treasury and Resources to do just that, to dismiss the Minister for Treasury and Resources. But the focus should be, quite rightly, on the Minister for Treasury and Resources and the decisions in particular that he makes and the promises that he has made. I would argue to Senator Routier who suggested I did not have a real view of life. I suggest that, on the contrary, I do have a real view of life. I am in greater contact with the ordinary public, the ordinary working man and woman on the Island than he is and this is a reflection of the real view of life. The reflection of the real view of life is that people are angry and disappointed and disillusioned and

they are angry because they see G.S.T. going up at a time when their wages are frozen or even reduced. They see G.S.T. go on essentials of life like food and heating. They see prices going up inevitably, commodities going up, food particularly up, up, up. Budget spending, income static or down. They see us offering zero per cent to companies on the High Street, Boots, Norman's, you can all name them, trading for free in the Island while little Jersey suffers 20 means 20 and they have seen their tax bills go up. They have seen their tax bills go up while this Minister for Treasury and Resources brings down the tax rate on 1(1)(k)s and that makes them very angry. There was no difficulty in achieving those 10,400 signatures at all. People were queuing to sign up in some very, very nasty weather. That is the reality out there. That is what the real worldview among Jersey residents is and anyone who pretends otherwise is fooling themselves. Deputy Le Claire yesterday made a very good speech in the middle when he stopped quoting the expert and spoke from the heart and he was quite right to do so and he was quite accurate when he talked about creating a fairer society. Let us not forget however reluctantly this Council of Ministers signed up for creating a more equal society as part of our strategic aims. Ask yourself if the actions that we have seen in terms of cuts, in terms of tax rises, in terms of G.S.T., in terms of Zero/Ten, in terms of not taxing local-based companies, are we moving towards that fairer society? No, absolutely not. We are moving very rapidly in the other direction. The document that came out saying we had met lots of our strategic targets was completely silent on that one. Why? Because we are singularly failing to improve equality in this Island at the moment. I would argue the chief cause of that is the economic policies and fiscal policies pursued and driven through by this Minister for Treasury and Resources which brings me to Senator Le Main's speech yesterday. What can I say? Perhaps that is enough. A man who cannot speak 3 words without using unparliamentary language. Deputy Noel and Deputy Tadier have both pointed to the facts around the economic situation and said: "Well, the facts have changed." Deputy Noel used it to excuse the change of mind by the Minister for Treasury and Resources from December 2008 to now when he is putting up tax although he assured us, he gave us a categorical assurance, that that would not happen. But what facts have changed? The essential facts in terms of our economic and fiscal policy is is there one single piece of evidence that we are yet even coming out of recession? The Deputy of St. John said and he corrected himself when he said we are in the middle of a recession. That is key. Austerity and cuts and tax rises in the middle of recession, as we have seen, been warned about in the U.K., is the wrong direction to take. So no evidence that it is safe yet to pursue the policies that are being pursued. Deputy Martin said yesterday the debate was of a fairly low standard but then she gave a gem of a speech and lifted the whole thing and I would just like to say any time she wants to give that speech about a proposition of mine, she is welcome to do it again. **[Laughter]** But the core of the debate where it has been good I think time and time again, and he is going to be very embarrassed, and I am going to do it again, time and time again, I feel as if I am learning when I listen to the Deputy of St. Mary. Sometimes I wish that he had brought the proposition and given the prime speech and if I can find my notes on him, I will continue to embarrass him. There it is. This is a man with a moral streak about that wide running right through his core and he talked about style, the style in which this Minister for Treasury and Resources does things. He mentioned the categorical assurance and he used a word that I did not use. He talked about whether information, whether decisions that were made and the information was presented honestly. As he did so, I realised that is the core of this proposition. Is it done honestly? He pointed out that, for example, the Minister for Treasury and Resources appears to be able to hold 2 completely contradictory beliefs at the same time and he said: "Can he honestly believe those 2 things at the same time?" Can he say, for example, we are pleased at the decision of the E.U. (European Union) on business tax? Pleased? Hardly, and it confirmed our expectations. Our expectation must have been then, he pointed out, that we were going to fail with the distribution and be declared a harmful tax regime and yet that is not what we were told. We were told that it was of course perfectly okay, it is a matter of personal taxation and therefore outside the remit and there was no problem. When it became increasingly clear there would be a problem, what did we get? "Oh, it is only a minor problem. We can soon sort it." Hang on. We have chased this goal for 5 years. If it is so

unimportant, why have we stuck out for 5 years? Where is the reality? Where honestly is the reality? And now we are being told...

**The Bailiff:**

Deputy, I was not in the Chair when the Deputy of St. Mary was speaking yesterday, so I do not know. You are not allowed to question the honesty of another Member. You are allowed to question the accuracy of what was said of course and whether people have changed what they have said about matters. Those points you are making are perfectly correct but you are not allowed to suggest that another Member has been dishonest. That is quite clear.

[10:45]

**Deputy G.P. Southern:**

In which case, Sir, we are either faced with the prospect that the Minister for Treasury and Resources does not believe these 2 mutually exclusive positions in which case - and I say this hypothetically because I am going to present the alternative - the suspicion must be that he is not being honest when he presents it; or he genuinely believes 2 mutually exclusive things and he presents it honestly and it is completely false. It does not bear a great connection with reality. Now I am told I cannot say one but I can suggest that the alternative is the other and that is where we are. So where do we go now under the leadership of this Minister for Treasury and Resources when, hand in hand with his Chief Minister, he says that now we have not got deemed distribution on Zero/Ten, which was their decision to go to Zero/Ten. We have not got that but it is not a problem. It is a cash flow problem. It is £10 million we will get back sooner or later. As I hear it, I am thinking no. The rate of tax on all companies other than finance and the utilities in Jersey is zero. There are lots of ways of doing it but one particularly would be roll-up. Roll up your profits, roll up your dividends in the company and sell it on. We do not have capital gains tax. At the end of the profits in the company, roll up the profits and the company. Thank you for correcting me, Minister for Social Security, you know more about it than I do because you are an accountant and you are used to handling these concepts. You are an honest accountant. [Aside]

**The Bailiff:**

Through the Chair, please, Deputy, you know the rule.

**Deputy G.P. Southern:**

Thank you, Sir.

**The Bailiff:**

Do not address another Member directly.

**Deputy G.P. Southern:**

I got carried away a little, sorry, Sir. We do not have capital gains tax so that is one way that we can see a big hole, a further hole, in our coffers because what we decided is the rate of tax is zero on all non-finance companies in Jersey, whether they are locally owned or not. Whatever we do to chase that from local ownership, if we do and we succeed in it, it is highly likely that yet again we will be breaking the E.U. code on business tax by ring-fencing the foreign owners and giving them a privilege. That is the reality. We are at a hard place and it is no good pretending that this is not a problem. It is. Either one or the other. Either we have got a big hole in our tax revenues and we have got a big problem or if we manage to try and scrape back and fill in that hole with some extra revenue, we have got a problem again because we come bang up against E.U. code on business taxation and ring-fencing. So we are in a serious problem. What do we believe? We believe somebody who can say: "We are in a fantastic position [meaning a fantastically good position] compared to most other economies. Therefore I am going to drastically cut spending." The 2 do not match. We are either better off than everybody else and we do not need to cut or we are not and

we are cutting. Or: “I am not afraid to make bold moves to cut spending and keep Jersey working.” Again, a new dichotomy. Cut spending, remove jobs and at the same time keep Jersey working. It does not ring true. Either one or the other but not both and this is the Minister for Treasury and Resources that we are supposed to have faith in. Yesterday, again just to remind us, for those who believe that the proposition should attack the Council of Ministers, should put no confidence in the Council of Ministers, I just remind people of what the Minister for Treasury and Resources said yesterday and it reminded me very much of Tony Blair or Henry V, Part 4, I think, at Agincourt. We heard a string of words from the Minister in his speech when he said: “I will be helping. I will be redesigning. I will be transforming. I will be standing shoulder to shoulder with Ministers. I will provide solutions. I will be supporting. I will be working with. I will be expanding, exciting, providing essentials, promoting, optimistic delivery, more just and fairer.” This is one Minister for Treasury and Resources. Where is the need for the other Ministers if he is going to do all of that and I missed about half a dozen at the beginning before I decided I was going to try and get it down and my shorthand was not good enough. So this proposition is here because of the actions of the Minister for Treasury and Resources. Do we believe that deemed distribution is perfectly acceptable because it is personal tax? The Minister even yesterday was still saying that it is personal in his view and the E.U. is wrong. Do we believe that deemed distribution is a minor matter? Do we leave it until the States in June to resolve the issue, which was a fortnight ago? Are there plenty of alternatives do we believe? Do we believe that G.S.T., as the Minister for Treasury and Resources has argued on occasion, is not regressive? Do we believe we are out of the recession? Do we believe his statement on the hustings: “I will oppose a rise in G.S.T.”? Do we believe a categorical assurance that in the event of a recession, he will not be putting up G.S.T.? Do we believe, above all, that we will not be cutting any frontline services, another assurance that we were given despite £65 million? Again, either one or the other. I do not think you can do both. Penultimately, just a quick word to Senator Shenton who appears to think that he has been talking to Danny Blanchflower and not David Blanchflower. **[Laughter]** He was talking to Danny Blanchflower and he saw plenty of wrong with his arguments but I do not know what they were talking about, probably Bill Nicholson’s W formation and the role of a halfback in modern football. **[Laughter]** Perhaps the offside rule, which I believe Danny Blanchflower would probably get right. But actually it was David Blanchflower, the economist, and not Danny. Finally, I turn to Joseph Stiglitz, another U.S. (United States) economist and Nobel prize-winner, yet another one, yesterday where it says Britain is embarking - and for Britain I will transfer these words identically which start Jersey - “Jersey is embarking on a highly risky experiment. More likely than not, it will add one more data point to the well-established result that austerity in the midst of a downturn lowers G.D.P. (Gross Domestic Product), increases unemployment and excessive austerity can have long-lasting effects.” I urge Members to support this proposition and I call for the appel.

**The Bailiff:**

The appel is called for then in relation to the proposition of Deputy Southern. I invite Members to return to their seats and the Greffier will open the voting.

<b>POUR: 4</b>		<b>CONTRE: 37</b>		<b>ABSTAIN: 1</b>
Deputy G.P. Southern (H)		Senator T.A. Le Sueur		Deputy P.V.F. Le Claire (H)
Deputy of St. Mary		Senator P.F. Routier		
Deputy M.R. Higgins (H)		Senator P.F.C. Ozouf		
Deputy J.M. Maçon (S)		Senator B.E. Shenton		
		Senator F.E. Cohen		
		Senator J.L. Perchard		
		Senator S.C. Ferguson		
		Senator A.J.H. Maclean		
		Senator B.I. Le Marquand		
		Senator F. du H. Le Gresley		
		Connétable of Trinity		

		Connétable of Grouville		
		Connétable of St. Martin		
		Connétable of St. John		
		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 of St. Ouen		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy K.C. Lewis (S)		
		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 T.A. Vallois (S)		
		Deputy A.K.F. Green (H)		

**Senator P.F.C. Ozouf:**

I would like to thank Members for their support. **[Approbation]**

**The Bailiff:**

Very well. We shall move on to the next matter before the Assembly, which is Ratification of the Agreement for the Exchange of Information Relating to Tax Matters between the Government of Jersey and the Government of the Republic of Turkey, Projet 195, lodged by the Chief Minister. I will ask the Greffier to read the proposition.

**2. Projet 195, Ratification of the Agreement for the Exchange of Information Relating to Tax Matters between the Government of Jersey and the Government of the Republic of Turkey**

**The Greffier of the States:**

The States were asked to decide whether of opinion to ratify the Agreement for the Exchange of Information Relating to Tax Matters between the Government of Jersey and the Government of the Republic of Turkey as set out in the Appendix to the Report of the Chief Minister dated 16 December 2010.

**2.1 Senator T.A. Le Sueur (The Chief Minister):**

These propositions reflect the first ratifications of tax information exchange agreements to be brought to the Assembly this year, although, in fact, they mark the 20th tax information schedule we have now signed. It follows a pretty similar pattern to all the previous ones. Turkey is a member of the G20 group of nations who we expect to conclude tax information exchange agreements with in due course. We have done quite a number of them already and there are more

in the pipeline so this is a continuation of the process which demonstrates our transparency and our openness and I am pleased to propose the ratification of the agreement with Turkey.

**The Bailiff:**

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition?

**2.1.1 Deputy P.V.F. Le Claire:**

I just wonder if maybe the Minister for Treasury or the Chief Minister could outline what is happening in the way of the process of these agreements now. The Minister for Treasury used to go along and sign these. I know the Chief Minister has. Now we have got a Minister for Foreign Affairs, the Treasury role becomes somewhat unclear and I wondered if either would care to comment about the Minister for Treasury's role in these matters.

**2.1.2 Deputy S. Power of St. Brelade:**

I wonder if the Chief Minister in his summing-up could refer to the territories of Turkey, the Republic of Turkey, and whether this agreement does refer to Northern Cyprus, which is at the moment a sort of a satellite of Turkey. That particular jurisdiction is not recognised by, I do not think, either the United Nations or the EU, so if the Chief Minister could specifically refer to Northern Cyprus it would be appreciated.

**2.1.3 Senator S.C. Ferguson:**

I think it might be helpful if the Chief Minister could, if he has the figures with him, say how many inquiries we have had under these various information agreements and perhaps, if he has not, he could make the actual numbers available and the countries from which they have come, available to this Assembly.

**The Bailiff:**

Does any other Member wish to speak? I will call upon the Chief Minister to reply.

**2.1.4 Senator T.A. La Sueur:**

Thank you. The signing of taxation information exchange agreements is the responsibility of the Chief Minister's Department and it normally falls to me. When I am not available, that duty can be delegated to either one of my Assistant Ministers or the Deputy Chief Minister and both the Deputy Chief Minister and Assistant Ministers have signed it in the past and will continue to do so when I am not available. As far as the extent of the agreement is concerned, it is that part of Turkey which relates to the E.U. component of that and acting in accordance with the G20 other arrangements. As far as Senator Ferguson is concerned, the number of inquiries and the details of the countries; I do not have the figures in front of me today but I did give those figures in, I think, the written question, possibly in the last Assembly but quite recently so I refer the Senator to our record of that. If she requires further information I will be happy to provide it.

**The Bailiff:**

Very well.

[11:00]

**Deputy S. Power:**

Could I just ask for a clarification from the Chief Minister as to whether Northern Cyprus is covered within this tax exchange agreement with the Republic of Turkey because he has not specifically referred to Northern Cyprus?

**Senator T.A. Le Sueur:**

I cannot confirm that particular matter and it is not referred to directly in the agreement. "Party relates' means Turkey as the context requires", is what the agreement says, and the agreement

therefore can be interpreted that way, to the extent that Northern Cyprus comes under Turkish jurisdiction for tax regulations then it would be covered.

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

Can I ask a supplementary question?

**The Bailiff:**

No, it is too late for you to make a speech now.

**The Deputy of St. Mary:**

I am not making a speech, I am asking for clarification of what the Chief Minister has just said, because there seems to be some uncertainty in an agreement like this as to whether, if Turkey thinks that it is a jurisdiction, and we do not or whatever it is, that was a very strange kind of assurance.

**The Bailiff:**

That is a pure comment, Deputy, not seeking clarification at all. That was the point I was making; you cannot make a speech after the proposer has replied. It is time Members really got to know what the rules of debate are. Is the appel asked for or not? No.

**Senator T.A. Le Sueur:**

If I want to be more specific, I would direct the Deputy to Article 4 on page 8: “Turkey means the Turkish territory, including territorial sea and airspace above it, as well as the maritime areas of which it has jurisdiction or sovereign rights for the purpose of excavation, exploitation, conservation and natural resources pursuant to international law.” That is the clearest definition of Turkey as I can provide to the Members.

**The Bailiff:**

Very well. Would all those in favour of adopting the proposition kindly show? Those against? The proposition is adopted. We come next to Projet 196, Ratification of the Agreement for the Exchange of Information Relating to Tax Matters between the Government of Jersey and the Government of the Republic of the United Mexican States lodged by the Chief Minister and I will ask the Greffier to read the proposition.

### **3. Projet 196, Ratification of the Agreement for the Exchange of Information Relating to Tax Matters between the Government of Jersey and the Government of the Republic of the United Mexican States**

**The Greffier of the States:**

The States were asked to decide whether of opinion to ratify the Agreement for the Exchange of Information Relating to Tax Matters between the Government of Jersey and the Government of the Republic of the United Mexican States as set out in the appendix to the report of the Chief Minister dated 16th of December 2010.

#### **3.1 Senator T.A. Le Sueur (The Chief Minister):**

A virtually identical proposition but to forestall any questions, Members who want to know what “Mexico” refers to are directed to page 7; “Mexico” means the United Mexican States including a couple of other islands - Guadalupe and something I cannot pronounce very easily - and all the other areas and subsoil around it. Mexico is also a member of G20 and I am pleased to be able to announce the ratification with that country also.

**The Bailiff:**

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition?

### **3.1.1 Deputy J.A. Hilton of St. Helier:**

I note that Jersey has signed up with numerous other countries on these exchange agreements. Is the Chief Minister able to tell us how many exchanges of information have taken place with the tax information exchange agreements that have already been signed, please?

### **3.1.2 The Deputy of St. John:**

Will the Minister also be able to tell us whether or not the signing of these agreements is going to be done in these faraway places by our Assistant Foreign Minister or will it be done via the persons coming to London or over here to do the necessary business, because there are obviously cost implications.

#### **The Bailiff:**

Does any other Member wish to speak? Very well, I call upon the Chief Minister's reply.

### **3.1.3 Senator T.A. Le Sueur:**

In reply to Deputy Hilton, as I said in the previous question in answer to Senator Ferguson, I do not have the details offhand of how many were signed but I did give those answers in a written question quite recently. In terms of the actual number of agreements in force, there are now 20 agreements that have been signed and 15 which are in force. As to the Deputy of St. John's - where they are signed - they will normally be signed in London, occasionally they are signed in Jersey, sadly we do not get the opportunity to go to Mexico or anywhere else very often and I can understand the concerns he might have about the cost of that but there is normally a convenient location in London where most countries have an ambassador or other representative. I maintain the proposition.

#### **The Bailiff:**

Would all those in favour of adopting the proposition kindly show? Those against? The proposition is adopted. We come next to the Draft Companies (Amendment No. 5) (Jersey) Regulations, Projet 197, lodged by the Minister for Economic Development. I will ask the Greffier to read the citation.

## **4. Projet 197, Draft Companies (Amendment No. 5) (Jersey) Regulations**

#### **The Greffier of the States:**

The States in pursuant of Articles 2B, 113H, 127GA, 127YN and 220 of the Companies (Jersey) Law 1991 have made the following Regulations.

### **4.1 Senator A.J.H. Maclean (The Minister for Economic Development):**

Thank you. The draft regulations will amend the Companies (Jersey) Law 1991 to provide for companies incorporated in Jersey to be able to merge in a simpler manner. The extension includes mergers with other bodies incorporated in Jersey and bodies incorporated overseas subject to certain restrictions and appropriate safeguards. At present it is only possible to directly merge a Jersey company with another Jersey company, however, as Members will be aware, the Companies Amendment No. 10 (Jersey) Law 2009 introduced an enabling provision in the principal law. This allows the States to make regulations to permit the cross-border merger of Jersey companies. In an increasingly globalised world, more and more business is conducted across national borders. The response to the public consultation carried out by the Economic Development Department in 2010 showed that there is a growing demand for Jersey companies to be able to merge directly with a wider range of bodies. This is particularly the case with foreign companies, something which is already permitted by some of our competitor jurisdictions. It is already possible to merge a Jersey company with a foreign company, however, this can only be done indirectly by first bringing them into the same jurisdiction. Either the Jersey company must be continued into the foreign jurisdiction or the foreign company must be continued into Jersey under the Companies Law. Then



both bodies may be merged, either under the Companies Law or under the relevant foreign law. This indirect procedure is much more cumbersome than a direct merger process permitted in other jurisdictions. It is also much more costly and hence the purpose of this amendment. In order to ensure that Jersey's Companies Law remains a market leader, the draft regulations will amend the Companies Law to permit the cross-border merger of Jersey Companies. This is subject to appropriate safeguards and may be with any other body corporate wherever incorporated. This includes foreign companies, foreign incorporated bodies and also bodies that are incorporated in Jersey but are not companies, such as Jersey foundations. Corresponding amendments will also have to be made to foundations legislation which we brought forward in due course. The proposed amendments are necessary in order to strengthen the competitiveness of the Jersey company, one of the key tools used by the finance industry in the Island. This will help to maintain Jersey's position as one of the most progressive jurisdictions in the world. Care has been taken to ensure that the draft regulations make provision for appropriate safeguards for the members and creditors of merging companies. All merging companies must obtain approval for the merger from their members and give notice to their creditors. Both members and creditors may object to the court if they consider that their interests would be unfairly prejudiced by the merger. A merger involving Jersey companies will continue to be permitted, to be carried out through the Registrar of Companies. Any proposed merger involving a body that is not a Jersey company will require the consent of the Jersey Financial Services Commission. The Commission must consider the interests of members, creditors and the public as well as the reputation of Jersey. I draw attention to the fact that any proposed merger between a Jersey company and an overseas body will always require the express consent of the Commission, which will act as the gatekeeper for all such mergers. As is common in other jurisdictions, the draft regulations will introduce further flexibility by allowing a merger to take place where, although the merged body will be solvent, one or more of the merging companies is unable to make a solvency statement before the merger. This situation could arise where a merging company has assets worth many times its liabilities and so is balance sheet solvent but is having temporary cash flow difficulties. Such a company would not be able to make a solvency statement but may, nevertheless, be an attractive merger partner for another company. As with all proposed mergers, the merging companies would both have to obtain approval from their members. The safeguards I mentioned previously for members and creditors would also apply. As a further safeguard, such a merger could only take place if the company that cannot make the solvency statements applies to the Royal Court. The Court would have the discretion to permit the merger on the basis that it will not be prejudicial to any creditor or any of the merging bodies but would not, where it could be inappropriate. The draft regulations have been developed with the input of many experts through a steering group - the Jersey Financial Services Commission - and the Companies Register. All of these groups are content with the amendments being made. The draft regulations are essential to ensure that Jersey's company law remains up to date and a market leader. I, therefore, commend the principles to the Assembly.

#### **The Bailiff:**

Principles seconded. **[Seconded]**

#### **4.1.1 Deputy P.V.F. Le Claire:**

I congratulate the Minister for helping to strengthen the Companies Law. Obviously we do need to strengthen our competitiveness wherever we can. I just wondered, from a safeguard perspective, because obviously a lot of this is quite technical that we are discussing today, certainly for those people listening on the radio; they probably might find it difficult to keep up. I wonder if the mergers that are occurring, if there are still safeguards for those mergers in relation to the local market. At the moment we have a consideration if a local company or a foreign business is to come to Jersey, the population office has cognisance of the existing market and the effect on employment and whether or not that will sit well within the economic circumstances of Jersey, what the backgrounds are to the people involved - to know your client principles, *et cetera*, and I am just

wondering - obviously no doubt the Jersey Financial Services Commission will have cognisance of these issues when they approve matters - what oversight the States will have, if any, in relation to mergers that might suddenly have a great impact upon one business's ability to compete with another, where at the moment they have historically guarded that context.

#### **4.1.2 Deputy C.F. Labey of Grouville:**

I wonder if the Minister could just explain how a jurisdiction is chosen between the 2 merging companies if there are overriding factors that make it obvious that one jurisdiction is going to take over from the other. Also, how schemes such as Depositors' Compensation Scheme and Employment Laws will operate once a jurisdiction has been chosen and the merging company has been merged into that? It is quite complicated. I am sorry, I do not know if I am explaining myself very well.

#### **4.1.3 The Deputy of St. Mary:**

I am a bit concerned about this, of course, as a lay person in these matters it is always difficult so I just hope the Minister can help Members with a few questions that I have. The first one is simple ground rules, really. Can you confirm that - from my reading of this proposition - foundations in Jersey can merge? I take it that they can but if you can confirm that? Also, that the various organisations that are referred to in the document, companies and other financial instruments, can merge into foundations elsewhere. I take it that that is what this proposition enables. So, on the assumption that those 2 assumptions are true, I have a few questions.

[11:15]

One is the fundamental question really; why would these mergers take place? It is interesting that we are told in the proposition what this proposition enables but we are not told why the institute would want to do this or why they want this facility or why companies would do this or why foundations would want to do this. If the Minister could clarify that, that would indeed be helpful because then we would know what we were voting on. My second question is about the power of the Commission to refuse. They can refuse, and I am focusing on foundations because I do find them very problematic, that the Commission has this power to refuse a merger and I just want the Minister to clarify in what instances and what their justification would be for that. I assume it would be, as in other cases in the law, in order to protect the reputation and integrity of Jersey in financial and commercial matters and to protect the international standing of Jersey. Now, those phrases were used in a previous law and I would like the Minister to clarify the risks that we are undergoing by allowing foundations to merge and therefore effectively vanish and also the risks attached to companies or other instruments in Jersey merging into foundations in other jurisdictions. What is the risk? Why does the Commission need these powers? The next question is about the fact that Jersey companies and so on can merge into foundations. Can the Minister, first of all, confirm that the jurisdictions which have foundations are still Panama, Lichtenstein and St. Kitts and Nevis? Can he explain to Members how allowing mergers into entities in those jurisdictions can be good for the reputation of Jersey, because frankly they are not at first clear in my book? Maybe they are in the Minister's; maybe he can explain that they are. The problem is that if you merge into a foundation in such jurisdictions, what happens after ...

#### **The Bailiff:**

Deputy, I am so sorry, I think we have just gone inordinate. Usher, could you summon back the Members, please?

#### **Deputy J.A. Martin of St. Helier:**

Can we have the appel, please?

#### **The Bailiff:**

The chairs are able to go out at a reasonable time but we are now quorate again. Very well, please continue, Deputy.

**The Deputy of St. Mary:**

Thank you. We now have one representative of the Treasury in the room. I was talking about the jurisdictions and the reputational risk of allowing or enabling further mergers out of Jersey into those jurisdictions, in particular foundations but also other entities. What can Jersey do about what happens to those survivor entities or merger entities when they are in those jurisdictions? It appears to me that we would not have much say about what happens after that, once they have been merged out of Jersey, once they no longer exist in Jersey, and I would like the Minister to comment on that, because, as I say, I believe there is a risk inherent here and reputation is all, is it not? My last question is about T.I.E.A.s (Tax Information Exchange Agreements) and that will be a longer question because if another country requires information about a person - one of their citizens - and the trail leads to a company or a foundation or whatever the instrument is in Jersey which has been merged away from Jersey, what is the position then with the request for information? Do we just say: "Well, it is not here anymore, mate, it has gone to Panama"? That raises real problems because foundations are not transparent vehicles and there are real problems with that. I am going to quote from what I said in an earlier debate about foundations because this is from the Bedell Cristin website; their presentation about what a foundation is. Again, I put this to the Minister, this is what foundations are. We are talking about a foundation in another jurisdiction where a company or foundation or whatever it is in Jersey is merged away from Jersey and this is what it would have merged into if it was a foundation. While these regulations apply to a Jersey foundation, a Panamanian foundation may be as transparent or even less so. "The charter of a foundation is open to public inspection. It contains certain required information, such as the name of the foundation, its objects and details of any initial endowment of the foundation. Other information can be included in the charter if desired."

**The Deputy of Grouville:**

I do not wish to interrupt but the Minister did say in his opening speech that foundations are not affected, so to save the good Deputy going off in one direction I thought he could just concentrate his remarks on companies.

**The Deputy of St. Mary:**

My reading of this document is that companies and all other ...

**Senator A.J.H. Maclean:**

Perhaps I could clarify that.

**The Deputy of St. Mary:**

It would be useful at this time.

**Senator A.J.H. Maclean:**

Yes, foundations are not applicable to this; it is companies and other bodies but not foundations. There would need to be an amendment to the foundations law and that is something we intend in the future but of course it would come to this Assembly. So foundations are not relevant.

**The Deputy of St. Mary:**

Can I clarify that, because my understanding was that it may not affect Jersey foundations merging out, but it does affect the fact ... the way I read this is that you can take a Jersey company and merge it into a foundation elsewhere?

**Senator A.J.H. Maclean:**

That would depend on the legislation in place in the country in question.

**The Deputy of St. Mary:**

That is slightly dodging it; so, in fact, what we are talking about is that it is possible - of course subject to the legislation of the other jurisdiction which I agree is in here - to merge away into a foundation. That is how I read this.

**Deputy G.P. Southern:**

Will the Member give way for another point of clarification on what this applies to and what it does not apply to? I see on the first page that it talks about financial companies, but does it apply to non-financial companies? Is it all types of company?

**Senator A.J.H. Maclean:**

Yes, is the answer to that; it does.

**The Deputy of St. Mary:**

I quote from the first paragraph: "... allowing the States to make regulations to permit the cross-border merger of Jersey companies with companies and other bodies incorporated outside Jersey." Will the Minister please clarify?

**Senator A.J.H. Maclean:**

I am not entirely sure what else I can add that I have not already said. Other bodies, limited liability partnerships could be an example, but foundations as far as Jersey is concerned would need an amendment to our Jersey Foundations Law to allow that to happen but it does not mean that a body, a company, could not merge with an entity in another jurisdiction dependent upon the laws in that jurisdiction.

**The Deputy of St. Mary:**

I do carry on because it is possible under these regulations for a company in Jersey to merge with a foundation elsewhere. That appears to be the case. So, resuming, the charter can if desired - it is not required - have details of how any beneficiaries of the foundation are to be ascertained; and that is the question: "are to be ascertained". That sounds to me like an information request. Details of what is to happen to any assets remaining after dissolution of the foundation; that may be in the charter and it may not. These can be included in the charter solely by reference to the regulations of the foundation. The charter does not need to specify or identify the founder or the council members. So we are referred to the regulations and the next sentence ...

**The Bailiff:**

Sorry, Deputy, this is dealing with Jersey foundations which, you have just been told by the Minister, are not affected and cannot be covered by this.

**The Deputy of St. Mary:**

I am running on the assumption that ... I take the point that the Bedell Cristin briefing is about Jersey foundations. I also made the point that I would expect foundations to be similar elsewhere as we modelled our foundations on foundations elsewhere and, if anything, foundations in Panama, Lichtenstein and St. Kitts and Nevis would be likely to be less transparent than ours; so this is like a minimum standard. This is the Jersey standard, the goal standard for foundations. As I say, they are not transparent. We have a charter which has next to no information in it; it refers anybody looking at information about the foundation to the regulations and the next sentence in the Bedell Cristin briefing is: "The regulations are private." So, there is a reputational issue here and I did pick out, when we spoke about foundations before, the extraordinary fact is that the assets do not form part of a person's property on their bankruptcy. So, they are hidden away in some little box and if you go bankrupt then creditors cannot access those funds even though they are under your control. The assets do not form part of a person's property on their bankruptcy. They are

extraordinary vehicles and I just want the proposer to explain to Members whether he recognises the risk and whether there are measures in these regulations to mitigate that risk, because it seems to me that we are laying ourselves open to criticism.

**The Bailiff:**

Deputy Noel, I had seen your light; did you want to speak or not?

**Deputy E.J. Noel of St. Lawrence:**

No. I was just trying to help the Deputy of St. Mary.

**Deputy G.P. Southern:**

Until yesterday I would be asking a very different question about the merger of companies in Jersey with foreign-owned entities because I would be worrying about are local companies not going to merge willingly and therefore I pay no tax, but since we have changed the deemed distribution rules, but are pursuing Zero/Ten, the companies which are non-finance companies, the fact must be and I wish the Minister to confirm this, that a merged company, a local company, a foreign-owned company in the non-finance sector will be paying zero tax to Jersey and I ask him to say in what way any benefit will be accrued to the Jersey economy by allowing this process to go forward and by running zero as our taxation rate for the foreign-owned companies.

**The Bailiff:**

Does any other Member wish to speak? Very well, I call upon the Minister to reply on the principles.

**4.1.4 Senator A.J.H. Maclean:**

Thank you. I will try briefly to answer the questions raised by Members in the order they were raised. Deputy Le Claire asked some questions in connection primarily with safeguards and to cover that of course he mentioned competition as well. I think he was concerned about the issue of the competitive impact of merged entities. Of course the J.C.R.A. (Jersey Competition Regulatory Authority) under the Competition Law, have a duty to consider all mergers and would continue to do so, so I think that protection is there. The other protections of course are the Jersey Financial Services Commission and indeed there is the takeover panel which looks after matters such as minority shareholder interests and so on. So there are a range of safeguards in place and I hope that gives satisfaction to the Deputy. The Deputy of Grouville asked a question about jurisdictions and why a particular entity might choose a specific jurisdiction in which to merge. Broadly it is commercial reasons. It may well be that an entity decides to merge with another entity at another location because that particular entity has assets that it finds attractive. It might have intellectual property it finds attractive. It could have other complementary benefits within that structure that would make the joined merged entity a much strong and more effective issue. So basically commercial reasons would drive any form of merger. The Deputy of Grouville also asked about employment law and she touched on the Depositors' Compensation Scheme. Clearly the Depositors' Compensation Scheme for Jersey is well known. If a company merges into another jurisdiction it would depend on whether or not that particular jurisdiction has a depositors' compensation scheme but that would be relevant to the law and regulations in that jurisdiction. Indeed, her question on the Employment Law would be much the same; it would depend on the position of the merged entity in the jurisdiction into which they merge. Clearly an entity merging into Jersey would be subject to Jersey's employment laws, so I hope that clarifies the point on that area for the Deputy of Grouville. The Deputy of St. Mary's asked a whole range of questions. I think, first of all, I would say to the Deputy that there is nothing unique about what we are proposing here.

[11:30]

Many other jurisdictions allow mergers and all we are doing is modernising our Companies Law to allow this to happen. I should add, very rapidly, that mergers already occur, clearly between Jersey companies, and indeed companies can already merge in and out of Jersey; it is just that the system is quite complex at the moment because you have to continue into the jurisdiction which takes time and it is more costly. So we are simply allowing something that is already happening to be done in a much simpler, more cost-effective and cheaper way which ensures we maintain Jersey's competitiveness, keep competitiveness, as Members would expect. That is the fundamental principle under what we are proposing here. The Deputy asked questions such as why would anybody want to do this. Well, growth, diversification, access to assets as I have just mentioned to the Deputy of Grouville. There is a number of commercial reasons why bodies and entities would want to merge. The other key point is where the Deputy was asking questions regarding foundations. I think I have answered the question on that; quite simply we would need a separate amendment to our Foundations Law in Jersey for companies to merge with Jersey foundations but clearly they can merge in other jurisdictions dependent on that particular jurisdiction's laws. The Deputy was asking about the Commission's reasons for refusing a potential merger and he answered his own question in part anyway where he referred to the reputation of Jersey. Clearly that is important from the Commission's point of view. The Commission also looks at the economic interests of the Island and will consider the interests of directors' solvency and other areas that are of particular interest. The Commission can reject an application. It can also impose particular conditions if it sees fit, so it has wide-ranging powers. The Deputy then went on to say why would the Commission need all these controls? Having asked what controls it had he then wanted to know why it would be necessary to have such controls and he talked a lot about risk. Clearly the Commission has these controls to mitigate risk. That is exactly what it is there for; to look after the reputation of the Island in summary. Deputy Southern tried to bring into this particular proposition the Zero/Ten issue yet again. I think he knows the answer to the question but I think we can nevertheless cover it. First of all, this is already happening; companies already are merging in Jersey and companies can merge into Jersey. All we are doing is simplifying the process; consequently the question he asked is exactly as the *status quo* was in the past. He knows the answer to the question, so I maintain the principle.

**Deputy G.P. Southern:**

I asked the Minister deliberately to confirm that most local companies, non-local companies registered in the Island will pay zero tax if they are a non-financial company.

**Senator A.J.H. Maclean:**

As the Deputy knows, the law is very clear. He knows the answer to the question. The answer is yes, so it is fairly straightforward and I maintain the principle.

**The Bailiff:**

The principles are put.

**Deputy P.V.F. Le Claire:**

I seek clarification on my question. It is regarding my speech on the principles. I asked a particular set of questions in relation to this of the Minister and it is that that I did receive some comfort, but in particular, the comfort I was seeking was the impact upon this law in relation to the availability of housing and the availability of work. At the moment the new company merging into Jersey or creating in Jersey has a slide rule run across it from the Population Office in terms of licensed and non-licensed people, regulation of undertakings, *et cetera*. At the moment we are being told - and he will have to forgive me because I have not had a chance to go in depth into this - that the J.F.S.C. (Jersey Financial Services Commission) and the J.C.R.A. have got safeguards in relation to the mergers, or in this instance that seems to suggest that they tick the box from a regulatory and a competitive perspective but it does not answer the question about one of the areas I was driving at

which was how will this affect the opportunity for new businesses. He says they do this for 2 reasons, of which one is growth and the second is diversification. How will this protect the availability of housing and access to work through the J.F.S.C. and the J.C.R.A., whereas at the moment the Population Office has that safeguarded for local people?

**Senator A.J.H. Maclean:**

I think the Deputy is confusing 2 issues here. He asked about safeguards in relation to competition and so on and I have answered that and I think he is satisfied. He is now talking about housing and employment. Clearly those are dealt with; if a company in the Island currently has a licence to employ a certain number of people, it has perhaps a J category approval for housing purposes, then that would stay as is. If there is any requirement to change that following a merger, in other words a company merges in and requires additional staffing, they would have to make an application in the same way as a regulation of undertaking to the Population Office and so on and that would be considered on its own merits. There is no guarantee. There will not be an automatic rubber-stamping through a merger to increase the number of employees or housing rights.

**The Deputy of Grouville:**

I am sorry but could I seek clarification on the answer the Minister gave me, please. I know my original question might not have been as clear as it might have been but if 2 companies merge and, just say, for example, the Jersey company was taken over or merged with a company in another jurisdiction, are the employees of the company employed in Jersey under Jersey law or the new law of the jurisdiction that it is merged to?

**Senator A.J.H. Maclean:**

Sorry, it would depend where the employees work but if there is a merger of that nature and an office is maintained in Jersey, the employees who were working in Jersey would be subject to employment laws in Jersey. However, employees in companies abroad would be subject to the laws in that jurisdiction.

**The Deputy of St. Mary:**

May I seek clarification also? There is one question in particular that I do not think the Minister addressed at all and that was that if there is a merger into an entity elsewhere that carries risk, what control has Jersey got? How can he assure the mitigation of that risk in another jurisdiction? Is there any mechanism whatsoever that you can use to control the risk elsewhere?

**Senator A.J.H. Maclean:**

That would, as I think I have already said, be a question for the jurisdiction in question. We manage our own risks here and that is relevant to the Island. We cannot manage risks in other jurisdictions.

**The Bailiff:**

Very well. I think the appel was called for, is that correct, in relation to the principles, so I invite Members to return to their seats and the Greffier will open the voting.

<b>POUR: 33</b>		<b>CONTRE: 1</b>		<b>ABSTAIN: 1</b>
Senator P.F. Routier		Deputy G.P. Southern (H)		Deputy of St. Mary
Senator P.F.C. Ozouf				
Senator B.E. Shenton				
Senator J.L. Perchard				
Senator A.J.H. Maclean				
Senator F. du H. Le Gresley				
Connétable of St. Ouen				
Connétable of Trinity				
Connétable of Grouville				

Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy J.B. Fox (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
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 T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				

**The Bailiff:**

Deputy Higgins, this matter falls within the remit of your Scrutiny Panel. Do you wish to have it referred to your panel?

**Deputy M.R. Higgins:**

As much as some Members might want to, we have not got the time to do it so we will not.

**The Bailiff:**

Very well. We proceed then to the individual Articles. How do you wish to take them, Minister?

**Senator A.J.H. Maclean:**

If I may, I would take them en bloc but I would like to just make a few comments about the Regulations if I could.

**The Bailiff:**

Very well.

**4.2 Senator A.J.H. Maclean:**

Regulation 1 defines the principal law as the Companies (Jersey) Law 1991. Regulations 2 to 4 make amendments to updated redundant and obsolete references in the principal law. Regulation 5 is the main provision as it replaces part 18(b) of the principal law dealing with mergers. This replaces Articles 127A to 127G of the principal law and it is divided, as Members will see, into 6 chapters. Regulations 6 and 7 update cross-references in the principal law. Regulation 8 amends schedule 1 to the principal law to provide for penalties in relation to the new offences. Regulation 9 makes transitional provision for the existing merger scheme to continue to apply to a merger which has started but not finished before these Regulations came into force. Regulation 10 provides for the short titles of the Regulations and brings them into force 7 days after they are made. I propose the Regulations.



**The Bailiff:**

Are Regulations 1 to 10 seconded? **[Seconded]** Does any Member wish to speak on the individual Regulations? Very well. Would all those in favour of adopting Regulations 1 to 10 kindly show? Those against? Regulations 1 to 10 are adopted. Do you propose the Regulations' Third Reading, Minister? **[Seconded]** Does any Member wish to speak in Third Reading?

**4.2.1 Deputy P.V.F. Le Claire:**

I understand the difficulties in workloads that Scrutiny Panels have but I am afraid to say the response of the Scrutiny Panel that as much as they would like people to have scrutinised it but they do not have time is just indicative of the system that we have set up and I do not think it is healthy for us. Even if this is a perfectly reasonable and perfectly acceptable proposition for us to be running on that kind of basis ... I do not have a problem with this but I have not, in all honesty, scrutinised it intensely and I just do not think this is the right way for us in the future. I support what the Minister is doing. I will support this proposition but I certainly do not think it is appropriate for us to be dismissing from scrutiny significant items such as this just because unfortunately the panel - and it is no criticism of the panel - does not have time. That cannot be a good healthy reason for us to operate, I am afraid.

**The Bailiff:**

Does any other Member wish to speak in Third Reading? Do you wish to reply, Minister? Very well, would all those in favour of adopting the Bill in Third Reading kindly show? Those against? The Bill is adopted in Third Reading. Before moving to the next item, I can inform Members that the Chief Minister has lodged Projet 25 entitled Draft States of Jersey Transfer of Functions No. 4 Treasury and Resources to Chief Minister of Jersey Regulations. We come next to the Draft Gambling (Remote Gambling Disaster Recovery) (Amendment) (Jersey) Regulations 201-, Projet 199, also lodged by the Minister for Economic Development and I will ask the Greffier to read the citation.

**5. Projet 199, Draft Gambling (Remote Gambling Disaster Recovery) (Amendment) (Jersey) Regulations 201-****The Greffier of the States:**

Draft Gambling (Remote Gambling Disaster Recovery) (Amendment) (Jersey) Regulations 201-. The States in pursuance of Articles 3, 9 and 10 of the Gambling (Jersey) Law 1964 have made the following regulations.

**The Bailiff:**

Minister, do you wish to propose the principles?

**5.1 Senator A.J.H. Maclean (The Minister for Economic Development):**

Yes, thank you. Members are well acquainted with the subject of e-gaming by now. This Assembly approved e-gaming Disaster Recovery Regulations in 2008 and only last April Members overwhelmingly approved the principle of allowing an e-gaming regime to be established in Jersey and directed me to bring forward suitable legislation to meet that objective. This proposition, if approved today, does just that by amending our e-gaming Disaster Recovery Regulations and adding a licence for continuous operations which will effectively allow e-gaming. As our Disaster Recovery Regulations already allow for licensing of e-gaming terms for business continuity purposes, it seemed sensible to adapt what we already have and create the permission for full licensing and operation within the delegated e-gaming legislation. The primary objective of these amendments is to maintain Jersey's reputation as a well-regulated jurisdiction while providing freedom for licensed e-gaming operators to locate their internet facilities in Jersey. This regulation follows my published policy on gambling from October 2009. In particular it confirms that all gambling businesses must adhere to 3 vital principles. Firstly, that gambling should be regulated in

accordance with generally-accepted international standards to prevent fraud and money laundering and should not be permitted to be a source of crime. Secondly, that gambling should be verifiably fair to consumers of those services. Thirdly and most importantly, that gambling should always be conducted responsibly and with safeguards necessary to protect children and vulnerable people. This proposition is not only following the clear direction from this Assembly last April to develop legislation to allow e-gaming, but it is also delivering upon the first 2 objectives in the staged strategic plan, in particular the requirement to deliver genuine economic diversification which was introduced as a result of Amendment 10, brought by Deputy Higgins. If approved by Members today, e-gaming legislation will offer a vital boost to the economy that will assist in bringing the Island through and beyond the current economic downturn. Development of an e-gaming licence regime will bring significant economic and social benefits to the Island as has proven to be the case with other jurisdictions, including our close neighbours Alderney and Guernsey. Benefits will include new jobs, tax revenues and substantial investment in infrastructure such as data centres and internet broadband, capital and technological investment and benefits that will drive business growth and offer Islanders the opportunity of cheaper connectivity. The amendment makes a clear distinction between 2 e-gaming licences; the limited operation which we have now in the form of Disaster Recovery and the proposed fully-operation e-gaming licence which this amendment seeks to allow.

[11:45]

Currently, under the 2008 regulations, an e-gaming operator can be licensed if they meet the fit and proper criteria and require a business continuity provision in the Island. This amendment allows an applicant to apply for an e-gaming licence for the establishment of a fully-operational e-gaming business in Jersey. Applicants for an e-gaming licence must, as a minimum, prove competence, liquidity and be fit and proper persons to offer an e-gaming to the public. While each licence will attract mandatory conditions, supplementary conditions may also be applied. The mandatory conditions are drafted primarily with regard to consumer protection and are itemised in the report accompanying these amendments. If the applicant is found to be fit and proper, the Jersey Gambling Commission will award a licence and apply those standard licence conditions consistent with the guiding principles set out under the Gambling Commission (Jersey) Law and covered by the Ministerial Policy on Gambling. It is then the duty of the Commission to produce codes of practice, guidance and standard operating procedures. The Commission must also ensure that all games offered are certified as fair by an independent testing laboratory. The adopting of conditions linked to codes of practice is modelled on the equivalent regime the States approved in the Gambling Commission (Jersey) Law and the recently amended Gaming and Lotteries Regulations but the driving motive in respect of non-compliance is to arm the Commission with a route other than referral for criminal prosecution and seek compliance by a regulatory toolkit; a toolkit containing suspension or revocation of licence, service of compliance notices, refusal of application for a new licence or for alteration of conditions, as well as any other existing discretionary power to which the breach of the code would be relevant. Licences will be valid for 3 years but subject to an annual licence fee. Hosting providers' licences are subject to the transitional provisions and can take 2 forms, primarily to protect the rights of those current licence holders. A licence for hosting e-gaming operations for disaster recovery or business continuity remains, but now only attracts the initial application fee and the due diligence costs. The hosting of fully operational e-gaming operators requires a 3-year licence and an annual licence fee of £5,000. This variance reflects the regulatory impact between the live and ongoing operations and those operators seeking a form of business insurance through a disaster recovery licence. The 3-year lifespan of a licence also applies to all e-gaming operators, whether they require a disaster recovery or a full operational licence. There is no real change to the e-gaming operator solely requiring a Disaster Recovery Licence. They will still be required to pay a fee of £5,000 per annum and should disaster strike the home jurisdiction, an activation commenced from Jersey, the fee will remain at the prescribed £250 per day with the Commission adopting a regulatory oversight. The fee for a full or general operator's

e-gaming licence requires a different methodology and in common with most leading jurisdictions is based on net profit tariffs. Notably, all successful applicants will pay an initial licence fee of £35,000 regardless of the size of operation. The net profits of the first year of operation in Jersey will form the calculation of the following year's licence fee as well as for the third year of trading. Therefore, a licence fee of £35,000 is levied in the first year and where yield is less than £1 million. A licence fee of £70,000 is levied if the remote gambling yield equalled or exceeded £1 million but was less than £6.5 million. Finally, a licence fee of £140,000 is levied where the remote gambling yield in the relevant period equalled or exceeded £6.5 million. These 3 bands were considered in relation to other comparable jurisdictions and the licence tariffs levied by those particular regulators. The regulation also equips the operator with the right to appeal the Commission's fee determination. The current regulation already contains a robust set of due diligence criteria involving various tests, proofs and disclosures necessary to satisfy the grant of a licence and the amendment bolsters the current regime. The amendment not only requires financial checks on the prospective licence holder but also further adds a duty to take account of whether there are any other persons who should be subject to financial or fitness tests. The department considers this widening of the due diligence net proportionate because of the possible influence on the licence holder, not just from directors, the holding or subsidiary companies in the corporate family tree but also from others including employees, business partners or relatives. In summary, this set of amendments creates a licence regime both recognising the importance of social responsibility, fairness and consumer protection while ensuring operators are fit and proper persons to hold a Jersey e-gaming licence. E-gaming is the first e-commerce industry activity that truly plays to the Island's strengths. It presents an extraordinary opportunity to redress the imbalance in Jersey's communications costs and in doing so, add value to all Islands' existing business sectors. It has the capacity to increase revenues at a time of fiscal pressure and offers support both in terms of revitalising other businesses and by offering new and diverse employment opportunities. I am certain there are some who will question whether or not we are too late to compete in this sector. To them I say definitely not. A range of intermediaries have recently made it clear that they have clients waiting for us to introduce an e-gaming regime in Jersey. These include significant and highly reputable businesses, including international brand names who are waiting in the hope that this legislation will be approved today. I am, of course, aware that there are those opposed to the gambling sector on moral grounds or who have concerns about the Island's reputation and I clearly respect those concerns. These are serious issues and there is no doubt that a minority of people are predisposed to addictions of all types. It is important, however, to keep in mind that the introduction of e-gaming licensing is not first and foremost about introducing any more gambling in Jersey. In respect of the actual gambling activity and its potential social impact, the States has already made the decision, in establishing the Jersey Gambling Commission, to make changes to the gambling laws, to make gambling safer and to make education, counselling and research available. A social responsibility fund is currently being established which is voluntarily being funded by the industry itself. This is how we can best protect young and vulnerable people who already have access to e-gaming, even if this legislation were not approved today. In fact, it is estimated that approximately 5,000 people in Jersey already use e-gaming sites. The States has approved for an effective, modern regulator with the personnel and experience to regulate the industry and the experience of other jurisdictions shows that this is certainly the best route to follow. In providing for an effective regulatory regime, the Island is protecting its reputation and ensuring that the highest level of cooperation with other regulators can take place to further safeguard Islanders, especially the young and the vulnerable. As I have already stated, this proposition is not about offering more gambling services to Jersey, it is a strategic decision to deliver genuine economic diversity and to ensure that we can attract the private sector investment to deliver a modern and competitive communications infrastructure. That is what e-gaming is doing for Guernsey and other jurisdictions. We cannot afford to be left behind or our businesses, like finance, will eventually become far less competitive. In conclusion, let me be clear, Jersey is not too late for this opportunity. There is plenty of business worldwide and the industry is growing.

Alderney is an excellent example of how a small island can play to its strengths. It has grown from 25 licences in 2006 to 44 licences in 2009. According to a report from accountants, KPMG, the on-line gaming industry contributed £7 million to Guernsey's economy in 2007. By 2009 it was contributing £50 million to Guernsey's economy. Moreover, KPMG predict further growth of 40 per cent in this sector over the next few years. Today is an opportunity that I do not believe Jersey can afford to miss and I therefore ask Members for their support. Thank you.

**The Bailiff:**

Are the principles seconded? **[Seconded]**

**The Deputy of St. Mary:**

May I raise a point of order? It is a point of order. I was quite taken aback when - and it may partly be my fault but I am not at all sure it is - when the Minister said this proposition effectively allows e-gaming, but the title on the front page says that we are amending remote gambling disaster recovery. On that basis I have put it in the pile where it does not get read too closely - in fact, does not get read at all - and I just want to raise the point about how we debate this on the basis that the cover does not say what is inside. How can we deal with that at scrutiny as well?

**The Bailiff:**

It is, obviously, a matter for the law draftsmen and the Ministers to title but looking at the first paragraph of the report, it says: "The purpose of these amendments is to make lawful by licence the continuous operation of e-gambling in Jersey." So one only has to read the first paragraph. The Greffier has pointed out, although I do not suppose this will address your point exactly, Deputy, that Regulation 37 in fact deletes the words "disaster recovery" from the title. Well, your point that did but there is nothing out of order with what has been done.

**The Deputy of St. Mary:**

I think the problem is that I may not be the only one who took this to be an amendment to disaster recovery and, therefore, did not give this the attention which we clearly should give it given the Minister's ...

**The Bailiff:**

If you had read the first 2 lines you would have realised. Does any Member wish to speak?

**5.1.1 Deputy P.V.F. Le Claire:**

I welcome this proposition today because of the fact that although I was opposed to a casino in Jersey and there are some moral issues about people at arm's length in that respect, I think from a gaming perspective and the world wide web, it is possible for anybody to get on to the internet today and spend their money on anything and it is a gamble. I mean, they could buy one of my CDs. It is a gamble if it is going to play in their CD player and it is a gamble if they are going to like it. What they do with their money at home is their choice. The fact of the matter at the moment is that there are many jurisdictions where gambling is operating, employing people in an e-gaming facility where the legislation, the administration and the place the business is occurring is less than ideal and many countries offer gaming facilities online where people who in Jersey might be inclined to dispose of their money that way, may not be as guaranteed to win the money that they think they are going to win when they bet on them on a daily basis. So I think it is important that we have a modern and a comprehensive gambling law, something to diversify the industry, something to attract industry. I know that there is at the moment a significant player in the markets looking, or at least 6 months ago was looking to come to Jersey. I directed them to the Minister. I do not know what the situation is now, if they have gone to Guernsey, but I was significantly struck ... they have gone to Guernsey. So, there we are, 6 months too late. Let us hope we can get them

back. I was significantly taken aback by the considerable increase in funds to Guernsey's coffers from £7 million to £50 million in 2 years. £7 million to £50 million. Now, there is an opportunity for us to redress some of the deemed distribution issues. There is an opportunity for us to start to give money to the Ministers to spend them on the services that we want without having to look at the Treasury Minister to do what is becoming more and more impossible. So let us get behind this proposition and let us make sure that when we do have gambling in Jersey, it is well regulated.

[12:00]

How could anybody on a moral perspective say they could not support this and I suspect some people may, when we have gambling shops in the high streets in Jersey and gambling shops in just about every other street in Jersey it seems, where people can walk in and out on a daily basis and gamble. They have machines, they are regulated. We have a system whereby they can reach their representatives and they can bring amendments to the gambling laws if they wish to. I think this is going to bring a significant amount of money to Jersey. It is also going to help make sure that the industry itself has a place where it knows if the business is operating from Jersey it is going to give the player a decent shake of the stick. They may not win. I believe a great deal of them will probably not win. The only winners that may come out of this will be the companies and the jurisdictions that allow the companies to operate and I think Jersey needs to be a winner in this and we can benefit from the money and I do not think in this instance that the morals come into the question because what is more morally important? The ability to feed and clothe the needy or to turn our backs on them because of the fact that we would not want to be involved in this kind of business? If we took that view on everything we would be involved in nothing.

**The Bailiff:**

Does any other Member wish to speak?

**5.1.2 The Deputy of St. John:**

I am sorry that the Minister for Education and the Minister for Health are not in the Chamber on this one because I would have like to hear their comments because the Minister reported in his opening speech all the educational and health issues have been dealt with but what I need to know is, are they dealt with off Island and, therefore, if somebody has an addiction off Island, do we pick up the bill indirectly or directly and how are the educational issues dealt with and the health issues where addiction occurs off Island?

**5.1.3 Deputy I.J. Gorst of St. Clement:**

I do not want to speak at any great length. I think it is well known in this Assembly that I do not support this legislation and I did not support it when we agreed it in principle. I did just want to make 3 very short comments about the Minister's charming introduction. He mentioned the phrase "social benefits." There would be "social benefits" from this legislation. I am not quite sure. He did not go on to explain. I am assuming the only social benefits he is referring to is the fact that we hope to have increased tax take and that tax take can be used by the States to provide social benefit to its citizens. I certainly would not want Members to leave this Assembly believing that those who are gambling are in some way receiving a social benefit from using these internet sites. The second issue was with regards to internet speeds. This particular piece of legislation, while in the in-principle stage, was very much sold as not only the tax take benefit but the increased internet speed and the rolling out of improved broadband across the Island and I am absolutely in favour of that because I believe that will be another crucial thing that we as a community must do to ensure that we remain competitive and that is the way the world is going. So I was, therefore, somewhat surprised, prior to us even having this legislation on the table or prior to it having received Royal Assent although, of course, it is an amendment to a regulation so it will not, as I understand it, require that. Perhaps that answers the Deputy of St. Mary's question. But we did hear that Jersey Telecom were already introducing higher speed internet connectivity and they had a plan to do that

across the community anyway. So I have been somewhat confused and perhaps a little bit disappointed that one of the main reasons that we were sold this legislation, those benefits, we are already starting to receive prior to its introduction. Thirdly, I think the Minister used the phrase that the games were going to be “fair.” I am jolly pleased about that. I might perhaps argue from a slightly different perspective that that is the whole point of gambling is that the odds are stacked in favour of the operators and not those playing. We might dress it up in fairness that there is an independent body going to oversee the games but I really do feel that it is, perhaps, making a statement a little bit too far to suggest that this is all very good because the games are going to be fair which might suggest that the odds are more in favour or equally in favour of those playing as they are of those operating. If that is the case then perhaps that would cast doubt upon the revenues that we are going to receive because we probably will not have an influx of operators going there, because they will do their sums if it is going to be as fair as the Minister has suggested. I have no doubt that this legislation will be approved today. I for one will, once again, be voting against it and I would just issue those 3 notes, perhaps, of caution.

#### **5.1.4 Senator A. Breckon:**

This has probably been around for over 10 years. I think, as the Minister said, there is probably some business there although we are coming a bit late to it and I know that from a former life with Gambling Control Committee. At the time the States had a - the Constable of St. Clement will remember this - had an I.T. (information technology) adviser and we were advised to look at it and at the time there was a view that for a finance centre maybe it was an area not to promote at the time. There was duties in the U.K. or levies of about 5 to 7 per cent and international and national players were looking for places to set up. They went to Gibraltar, Malta, the Minister has mentioned Alderney, but there is some business there. I can understand what Deputy Gorst has said but if you have T.V. (television) and a remote control, that is all you need really to access some of these systems and that is about it. We found at the time, and I am sure Senator Le Main will remember this and the Constable of St. Clement, as a Gambling Control Committee we could not police this at all. You just cannot unless you go around knocking on people’s doors on a Saturday afternoon or a Friday night or whatever it is. So it is right that it is done and it is right that it is done in a regulated environment as well as you are able. Members might be aware that Jersey Telecom have just bought a data centre in Guernsey which started from virtually nothing for £11 million and that has come about because the traffic from that is generated from gaming. e-gaming, that is where the business comes from and I think Members will be aware of a demonstration that was given about the difference between our broadband and Telecom system, those that have it and those that do not and the Minister for Treasury may help me here but I looked yesterday at the Isle of Man budget statement and in there I am sure it mentioned that they had 650 people employed in e-gaming. That is related to technology, maybe taking phone calls or whatever it is and I do not know what Jersey’s equivalent is but probably not many at all. So although to some it might be unacceptable, in a regulated environment with precautions and help for people who need it, then it is what we have been saying about doing for a long time which is diversifying the economy and it is another strand of technology, I.T. and telephone business and all those things because we are not very likely to set up a car assembly plant. Physically, that is just not possible, bringing everything in and exporting it out. This is one of those ... although some might not see it as that ... it is a clean industry in a well-regulated environment and it is certainly not the present Minister’s fault, or even the previous one. We have been a long time coming to this and there were checks and balances. There were fears expressed. There was all sorts of things but I think now to not share in some of the growth is a mistake and, therefore, I hope Members will support it because I think the assurances the Minister has given will happen and that the industry itself regulates itself to some extent because they do not want to lose licences because it is a lucrative business and for those reasons I hope Members will support these changes.

#### **5.1.5 Senator P.F.C. Ozouf:**

I am pleased to follow Senator Breckon because he is absolutely right to point out about the competing jurisdictions and what they are doing in this area. The Minister is absolutely right in identifying this as a wonderful opportunity for diversifying the Jersey economy. We are seeing Malta, Gibraltar, the Isle of Man, all with technology strategies. There is a huge opportunity in this area. It is more than just gaming. I do understand the points that Deputy Gorst makes about the issues to do with simply gaming and this is certainly part of it but the important point for Members, I think, to take on board is that ... I do not know the precise terms, but “state gaming” if you like, is only part of the long-term strategy of building technology businesses in Jersey. State gaming will evolve and is evolving into other gaming. I see Godsons and other people playing on computers with other people in other parts of the world and that is all part of technology businesses which can, the intellectual property can be based here on computer servers, *et cetera*. This industry, this sector, like finance, is going to evolve. It is going to evolve massively in the next few years and Jersey is uniquely placed in terms of our reputation, in terms of our location, in terms of the law, in terms of the standard of law that we have to take a significant part of this sector in the future. Senator Breckon is correct to say that Jersey Telecom is investing and has invested in Guernsey in terms of a data centre and it is fair to say, to respond to Deputy Gorst’s point, that they have invested on the expectation that this Assembly will ... there is no guarantee, of course, but on the expectation that this Assembly will pass the subsequent regulations that the underlying law has already been changed. So they are already investing and we are already seeing the benefit of faster internet connectivity because of the expectation of the growth of this sector and, if I may say to Deputy Gorst, it would not happen if there was not the strategy that is in place. Technology businesses have enormous potential for jobs, for tax revenue in the future. This is part of an overall strategy including intellectual property to build this sector and I congratulate the Minister on bringing this forward.

#### **5.1.6 Senator S.C. Ferguson:**

Senator Breckon mentioned that it was very difficult for the old Gambling Commission to monitor the gambling industry in those days. There are methods nowadays of remote monitoring with the computer systems which were not available then and there will be no problem in doing that. In fact, from the briefings we had when the original decision was made by the States, the new head of the Gambling Commission said that there are standard, practical, remote, computerised ways of ensuring that games are not unfairly loaded against the gambler which, I think, probably answers Deputy Gorst’s question. Speaking as an ex-banking supervisor, setting up a proper regulatory framework gives us access to a network of other regulators and, therefore, to information on the soundness of companies, problems in the industry, and this is absolutely essential if we are going to embark into this sort of industry I think we need to have our own regulations and regulatory framework because, as Senator Breckon said, internet gaming is available to everyone even those with a subscription to one of the television services. If we are to have a sound industry we must have this regulatory framework in place and I support this proposition.

#### **5.1.7 Deputy G.P. Southern:**

I am really tempted by the thought of these glittering prizes that are being offered to gamblers, particularly the States of Jersey in the form of tax revenues from these companies.

[12:15]

While I can see that we do need broadband to enable this to happen and that the broadband companies are public utilities and do pay tax at 20 per cent, I do not see anywhere here where it says that these e-gaming companies are going to be treated as finance companies and pay tax at 10 per cent. While there is some licence fee there and it is at £140,000 for any profit over £6.5 million, I work out quickly that is just a little over 2 per cent tax and as the profit goes up I presume it will have a higher rate. I also did a quick calculation. That would require 300 companies making profits of £6.5 million to generate the exciting prospect of matching Alderney’s £50 million. I am

sorry, I do apologise, Guernsey's £50 million. So I look forward to the explanation of how we are to generate £50 million from a company which is a non-finance company and whether local or non-local, is now zero rated for tax.

**The Bailiff:**

Does any other Member wish to speak? Very well, I call upon the Minister to reply.

**5.1.8 Senator A.J.H. Maclean:**

I was slightly surprised by the comments of Deputy Wimberley - I see he is not in the Chamber at the moment - who seemed to be surprised about this particular proposition coming forward. He seemed confused by the title of it in terms of the disaster recovery headline. I am surprised because, of course, in April last year this Assembly had a debate specifically on the approval of e-gaming and an e-gaming regime for the Island. All we have done is we have looked at the most efficient and effective way to deliver that objective, a direction by the States, and we have looked at the way in which we can do that and the advice that we received was that to amend the Disaster Recovery Regulations was indeed going to achieve that objective as a transitional provision until we bring forward the full suite of modernisation of the rest of the gambling legislation. So I would hope that the Deputy of St. Mary clearly recalls the debate from April last year on this particular topic to support e-gaming. Deputy Le Claire made some comments. He reaffirmed his opposition to casinos. Clearly this is nothing to do with casinos. I know he appreciates that and he did, indeed, refer to a particular operator who was interested in relocating to Jersey for e-gaming purposes. Unfortunately, we did not have the legislation to be able to support it. It was an international brand name organisation and, sadly, they went to our sister island over in Guernsey and have since set up a headquarters there, they have employed people and generated significant revenues and that is, obviously, to the loss of Jersey and, clearly, very disappointing. The Deputy of St. John asked some very relevant questions about the help programmes available but in particular I think he was more interested in the costs and who was going to pay. I hope the Deputy will be pleased to hear that it is the industry that pays for support of those who are vulnerable and in need of assistance, problem gamblers, if you like for want of a better description. There is a choice in terms of where the delivery of that assistance and help can be made. There are some very world-renowned organisations based in the U.K. of which they will have access to, GamCare being one and the Gordon Moody Association. One deals specifically in the U.K. and the other one is an international organisation who are well equipped for such matters. But the Jersey Gambling Commission has also been having discussions with Health and Social Services. The intention is that a local provision will also be made available and funded in a similar way by the industry. So quite simply, anybody with an issue locally with regard to gambling addiction and so on will have an option and will have choices in due course in order to address those. It is always a pleasure to hear from Deputy Gorst. I do appreciate in all seriousness his concerns about this particular matter and I think if anything it perhaps demonstrates the way in which the Council of Ministers work. Quite simply, it was not a majority decision necessarily with everybody agreeing that this particular proposition was a good thing. Deputy Gorst and at least 2 other Members of the Council were concerned and we had a robust discussion and debate on the matter and I think that is absolutely right. Deputy Gorst asked about the social benefits. Those can be summarised. Improved and enhanced communications costs and I know he asked a later question about that which I will address in a moment and revenues that will be generated from this particular activity and also jobs. So there are number of social benefits to the Island from the adoption of an e-gaming regime within Jersey. The Deputy, on the subject of communications costs, was making the point that Jersey Telecom is already advertising the fact they are increasing their speeds and that is true although it would take significantly longer without the private sector investment that will be attracted and driven should an e-gaming regime be accepted in Jersey. We have seen from the revenues the growth that exists in this particular area. Guernsey had roughly the same speeds as Jersey back in 2005 in terms of connectivity. They are now significantly faster. In fact, from a domestic supply



perspective, Jersey rolls out roughly 2 megabytes for a domestic access and use whereas Guernsey is moving towards 25 megabytes which is significantly faster. We can see that that is driven largely by the investment that has been put into this area, the private sector investment, driven by the significant traffic that goes through these e-gaming sites. The Deputy also asked about games being fair. Well, of course, we meet international standards in that regard and I think in my opening remarks I made it clear that it was important that the Commission has to verify the fairness of games. They use an independent laboratory, technology-based organisation, who assist to make certain the games being offered are all fair and open to all those who get involved. A number of other speakers were supportive and I thank them for their contribution. Deputy Southern finally made his point trying again to bring in the lack of tax revenue. Of course, he is right. It is not direct tax revenue. These entities, should this proposition be approved, would be subject to licence fees. The licence fees depend on the amount of turnover that the individual operation generates. We can see in Alderney, for example, £3.8 million in 2009 came from licence fees and all the additional investment that we see going into the traffic from a communication point of view that drives costs and adds other value. Clearly, job creation and taxation through that area is another assessment but it is the independent validation from KMPG which I think adds significant merit and value to this particular proposition. They have looked across the piece to the value to the economy as a whole of £50 million in Guernsey and I would hope that Jersey would not necessarily see that figure but would see a figure which is going to add significantly to the Treasury's coffers. Any additional value is going to be beneficial to the Island particularly in this challenged fiscal climate we currently live in. I think I have summarised all I need to and I would ask to maintain the proposition.

**The Bailiff:**

The appel is called for, then, in relation to the principles of the regulations. I invite Members to return to their seats and the Greffier will open the voting.

<b>POUR: 38</b>	<b>CONTRE: 4</b>	<b>ABSTAIN: 1</b>
Senator T.A. Le Sueur	Senator B.I. Le Marquand	Deputy M.R. Higgins (H)
Senator P.F. Routier	Deputy G.P. Southern (H)	
Senator P.F.C. Ozouf	Deputy J.A. Hilton (H)	
Senator T.J. Le Main	Deputy I.J. Gorst (C)	
Senator B.E. Shenton		
Senator J.L. Perchard		
Senator A. Breckon		
Senator S.C. Ferguson		
Senator A.J.H. Maclean		
Senator F. du H. Le Gresley		
Connétable of St. Ouen		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Martin		
Connétable of St. John		
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 Hérisseier (S)		
Deputy J.B. Fox (H)		
Deputy J.A. Martin (H)		
Deputy of St. Ouen		

Deputy P.V.F. Le Claire (H)				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
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 A.K.F. Green (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

**The Bailiff:**

Deputy Southern, this matter falls within the remit of the Health, Social Security and Housing Scrutiny Panel. Do you wish to refer it to that?

**Deputy G.P. Southern:**

With respect, I think it is the Economic Affairs Scrutiny Panel that it falls within.

**The Bailiff:**

Economic Affairs, sorry.

**Deputy M.R. Higgins:**

We are going to pull this for a very, very, very quick review.

**The Bailiff:**

So you wish to defer moving on to the detail?

**Deputy M.R. Higgins:**

Yes, we want to have a quick look at it and we will come back to the States very shortly.

**The Bailiff:**

Very well. Under the Standing Orders we need to fix a date when it is going to come back. I suggest that we give you time to do that and we will consider it at the end of this meeting.

**Deputy M.R. Higgins:**

Our intention is to do a very quick review before the next sitting and, if we can, we would like to be able to say either go ahead at the next sitting or give an indication to the States at that point how much time we need.

**Deputy P.V.F. Le Claire:**

On a point of information for me, if I could just seek clarification from the chair? If this is debated and I did not catch the date ... if it is debated on ... what date is it?

**The Bailiff:**

The next sitting which is, I think, the first ...

**Deputy P.V.F. Le Claire:**

I was just a bit disappointed to hear that the player that I ... the company that I referred to the Senator was the third largest in the industry and I would like to try and get them back to Jersey. I

want to know at what stage these regulations, if they are brought to the Assembly, at what stage to they become an Act of law? Is it a year?

**The Bailiff:**

They will become enacted ... I assume, it says they take effect ... I will have to look at the ...

**Deputy P.V.F. Le Claire:**

Fourteen days.

**The Bailiff:**

Fourteen days, is it, after being passed?

**Deputy P.V.F. Le Claire:**

So we are looking at about a month, is that correct?

**The Bailiff:**

At the earliest, it seems, yes, in the sense that they could be debated at the next sitting and would come into effect 14 days thereafter. Is that right, Minister?

**Senator A.J.H. Maclean:**

It is. If I may just make one comment and express my disappointment. I would have hoped that the Scrutiny Panel would have considered this beforehand. This is a matter of importance to the Island, in my view, at this time and this sends out a very negative signal, in my view, and I think it is a great regret that we have had to deal with it this way around as opposed to considering it as normal business. This has been known for considerable time that it was coming forward.

**Deputy M.R. Higgins:**

If I can just make a statement on that. We want a very quick look because we are concerned that many Members have not read this because of the fact it was a little misleading heading of Disaster Recovery. What I will say is ... well, some people have, some have not. Some people have been honest and admitted they have not read the thing. We are going to do a very, very quick review and we will bring it back to the Assembly. We do not wish to delay it unduly, either. But we also believe it should be properly scrutinized so we are going to do that.

**The Bailiff:**

Very well. That is the right of the Scrutiny Panel.

**Deputy I.J. Gorst:**

Bearing in mind the time left before the lunch adjournment, I wonder if it might be helpful if we took the 4 appointments at the end of the Order Paper rather than start the larger debate but I am at the hands of the Assembly. [Approbation]

## **6. Medical Appeal Tribunal Appointment of Members (P.11/2011)**

**The Bailiff:**

Do Members agree to proceeding that way? Very well, then we will move on to P.11 which is the Income Support Medical Appeal Tribunal Appointment of Members lodged by the Minister for Social Security. I will ask the Greffier to read the proposition.

**The Greffier of the States:**

The States are asked to decide whether of opinion in pursuance of Article 15 of the Income Support General Provisions (Jersey) Law 2008 to further to a process overseen by the Jersey Appointments Commission ...

**The Bailiff:**

I am sorry. Greffier, one moment. Please, Members, could we please not have everyone talking to themselves in a very loud voice while the Greffier is trying to read the proposition.

**The Greffier of the States:**

... to appoint the following persons as Panel Members of the Income Support Medical Appeal Tribunal for a period of 5 years with effect from 1st March 2011: Mr. Samuel Le Breton and Mr. John Moulin.

**The Bailiff:**

Yes, this is the Minister for Social Security.

**6.1 Deputy I.J. Gorst (The Minister for Social Security):**

I am pleased to propose the appointment of 2 members to the Income Support Medical Appeal Tribunal each for a 5-year term. An open recruitment process was undertaken in accordance with best practice and overseen by the Appointments Commission. The Medical Appeal Tribunal hears appeals on the award of the impairment component under the Income Support system. A panel consists of the legally qualified chair, a medical practitioner and one member selected from a panel of up to 5 members who have experience of disability in a professional or voluntary capacity. I believe that the proposed new members have the required knowledge and experience in dealing with the needs of people with disabilities and I ask Members to support these appointments.

**The Bailiff:**

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition?

**6.1.1 Deputy G.P. Southern:**

I would just like to ask the Minister in terms of appeals, not only just medical but other appeals, why in the recent past there has been such a long delay between people attempting to appeal and a tribunal being set up?

[12:30]

Are they short of members or is there some other defect in the system which means that we have seen extremely long delays and lack of clarity over what is happening. Certainly, several recipients of income support have come to me saying that the process does not seem to work properly.

**The Bailiff:**

Does any other Member wish to speak? Very well, I call upon the Minister to reply.

**6.1.2 Deputy I.J. Gorst:**

Yes, there can indeed be delays. It is, as the Deputy knows, a formal and independent process. We have, however, recently moved that process from the department to the Independent Registrar of Appeals and Tribunals which sits in the Office of the Judicial Greffe and I hope that any delays that might have taken place will now move forward in a more timely manner. Of course, most people who wish to appeal a decision of the department are first given the opportunity to ask for a redetermination which means that a second officer independent of the officer making the first decision looks at all the evidence again. If they then, obviously, make the decision in the same way that the first officer made, then the individual is entitled to make this appeal to a formal independent body. So that can add delay into the process but I still believe that that is the most effective and efficient way to deal with these appeals.

**Deputy G.P. Southern:**

If I may, just a point of clarification, ask the Minister what his current target for seeing through an appeal is as it is important for people because they do without money while they are appealing.

**Deputy I.J. Gorst:**

I am not sure that it is fair that they do without money. The department makes a decision within the law as they interpret the law. That decision stands until perhaps it is overturned by an appeal if that is the case and then that would be appropriately backdated.

**Deputy G.P. Southern:**

The original question was the target of the seeing through an appeal through the process, second reading and the appeal process.

**Deputy I.J. Gorst:**

I think we are talking about months but I cannot off the top of my head tell you exactly what it would be for each of these differing tribunals.

**Deputy G.P. Southern:**

Will the Minister return to the Assembly with a target?

**Deputy I.J. Gorst:**

I am more than happy to provide that information. Of course, we are talking here about 3 different tribunals that go through rather different processes. Some of that process is around conciliation and, therefore, decisions can take quite a number of months to be reached.

**The Bailiff:**

All those in favour of adopting the proposition kindly show. Those against? The proposition is adopted.

**7. Social Security Tribunal Appointment of Members (P.12/2011)**

**The Bailiff:**

We come next to the Social Security Tribunal appointment members, P.12, lodged also by the Minister for Social Security and I will ask the Greffier to read that proposition.

**The Greffier of the States:**

The States are asked to decide whether of opinion in pursuance of Article 33(a) of the Social Security (Jersey) Law 1974 further to a process overseen by the Jersey Appointments Commission, to appoint the following persons as panel members of the Social Security Tribunal for a period of 5 years effective 1st March 2011: Mr. Allen Hall, Mrs. Margaret Howard, Mr. Samuel Le Breton, Mr. John Muller.

**7.1 Deputy I.J. Gorst (The Minister for Social Security):**

Again, it gives me pleasure to propose the appointment of these 4 members to the Social Security Tribunal each for the period of a 5-year term. Again, the same open recruitment process was undertaken and overseen by the Appointments Commission. The Social Security Tribunal has been in place since 1974 and hears appeals on a range of benefits under the Social Security Law as well as the non-medical element of appeals under income support. The panel consists of a legally qualified chair and 2 lay members drawn from a panel of 12 people. I believe that these proposed new members have the appropriate knowledge and skills, and I ask Members to support these appointments.

**The Bailiff:**

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition?

**7.1.1 Deputy G.P. Southern:**

Yes, and I repeat my question. What target does this particular appeals panel have to see through the process? Is this the one that has conciliation which I have not heard of in an appeals process previously or otherwise? I think that is the question.

### **7.1.2 Deputy R.G. Le Hérissier:**

I notice several people, all people very good and true, but 2 of them make a reappearance, I have noticed and I presume that poses no problem. Secondly, I wonder if the Minister could tell us, given that there is an apparent workload problem, how many cases were heard in the last full year by this tribunal?

#### **The Bailiff:**

Does any other Member wish to speak? I call upon the Minister to reply.

### **7.1.3 Deputy I.J. Gorst:**

With regard to Deputy Southern's question, the answer I gave with regard to the first set of appointments is across the boards of appeal and I will come back to him with that particular information. When I was talking about conciliation, I was talking about the Employment Tribunal. Often people make appeals to that tribunal and they can be settled outside of the tribunal. That is what I was talking about. I do have the numbers of ... I thought I did. In 2010 for this particular appeals body there were 4 appeals put forward but this is where you have the pre-element of a redetermination by an independent officer prior to getting to appeal. To the one that we just approved, there were 3 appeals with regard to the Medical Appeal Tribunal and the one that we are going to come on, hopefully to approve very shortly or not, there were 169 applications. There were 61 hearings and 26 interim hearings which is prior to a full hearing which might mean that it does not get to a full hearing. I maintain the appointments.

#### **The Bailiff:**

Would all those in favour of adopting the proposition kindly show? Those against? The proposition is adopted.

## **8. Jersey Employment Tribunal Appointment of Members (P.13/2011)**

#### **The Bailiff:**

We come next to P.13, Jersey Employment Tribunal Appointment of Members lodged by the Minister for Social Security and I will ask the Greffier to read that proposition.

#### **The Greffier of the States:**

The States are asked to decide whether they are of opinion in pursuance of Regulation 3 of the Employment Tribunal (Jersey) Regulations 2005, further to a process overseen by the Jersey Appointments Commission, to appoint the following persons as Panel members of the Jersey Employment Tribunal for a period of 5 years with effect from 1st March 2011: Mrs. Louise Cram and Mr. John Noel.

### **8.1 Deputy I.J. Gorst (The Minister for Social Security):**

I am pleased again to propose the appointment of these 2 new members to the Employment Tribunal again each for a 5-year term. Once again, an open recruitment process was undertaken in accordance with the best practice and overseen by the Appointments Commission. The Employment Tribunal deals with disputes between employers and employees regarding employment rights. The panel consists of a legally qualified chair with 2 members; one employee representative member and one employer representative member and I believe the proposed new

members have the required knowledge and experience and once again I ask Members to support these appointments.

**The Bailiff:**

Are the appointments seconded? **[Seconded]**

**8.1.1 Deputy E.J. Noel:**

For the sake of clarity, some Members will already know this but Mr, Noel is, in fact, my older brother so I request that Members do not hold that against him.

**8.1.2 Deputy R.G. Le Hérisier:**

I mean, a phenomenal record of service by Mr. Noel, I do not think you will ever get a boy-to-man type length of service again but I would be very interested to note he, of course, was in the senior management of the civil service. Is he an employer or the employee representative?

**The Bailiff:**

Does any other Member wish to speak?

**8.1.3 Connétable D.W. Mezbourian of St. Lawrence:**

In the report it refers to a legally qualified chair. I wonder if the Minister will advise us who the legally qualified chair is and whether it is the same chair for all of these tribunals?

**8.1.4 Deputy G.P. Southern:**

I think this is on the borderline of relevance but I have just heard one that is around the same place so I think I will give it a go. The Employment Tribunal has very clearly set out rules and regulations and a whole wad of decisions that it has to make, very clearly set out as to what its powers and what its sanctions might be. The other 2 bodies, it seems to me, from perusing the regulations around them are very, very unclear. Will the Minister undertake, since he is bringing these 3 bodies to the States to be reformed, will he undertake to review the powers that are held by the first 2 bodies and to report back to this Assembly?

**The Bailiff:**

You were right in your first assertion. It is a questionable relevance, Deputy, but I am sure the Minister will deal with it. Does any other Member wish to speak?

**8.1.5 Deputy P.V.F. Le Claire:**

I would just like to say in my experience with Mr. Noel, I found him to be an extremely hard working, helpful and thoroughly independent person and one employee that the States is sadly without now. I am very welcoming in this continuing approach that he is giving and I am surprised to hear that he is the brother **[Laughter]**. I am going to have to review my decision on this. But my wholehearted support and I think he was one of the best civil servants I have had experience with.

**8.1.6 The Deputy of St. John:**

Having had responsibility in my time on Home Affairs for immigration and customs, I came across Mr. Noel as a very efficient, polite and superb senior officer and as far as I am concerned, he will be superb for the job.

**The Bailiff:**

Does any other Member wish to speak? I call upon the Minister to reply.

**8.1.7 Deputy I.J. Gorst:**

Notwithstanding Mr. Noel's relationship to Deputy Noel, I thank Members for their kind comments in regard to his ability to sit on this particular appeals panel. It is my understanding that he is an employee representative. He was an employee representative with regard to the Civil Service Union and I think he would probably balk if we tried to suggest he was anything other than representative of those employees and I am sure that he was. The Chairman of the Employment Tribunal is Advocate Le Cain and that is different from the other 2 chairmen. The powers of these appeals tribunals are obviously not for consideration today. This is the appointment of members. The Deputy is quite right to say that they are different. That is by their very nature. One is trying to resolve, as it were, disputes between employee and employer. The other 2 are quite straightforwardly looking to see whether the department has applied the law correctly in relation to particular appellants and, therefore, I have I am afraid to say with the workload that my department currently has and the reducing number of months which I will have there at that department, I am not able to say that I will be reviewing these appeals or the laws under which they work in the way that I was requested to do by the Deputy.

**The Bailiff:**

Would all those in favour of adopting the proposition kindly show? Those against? The proposition is adopted.

**9. Manual Workers' Joint Council Employer-side Membership (P.17/2011)**

**The Bailiff:**

We come finally to Manual Workers Joint Council Employer side membership, P.17, lodged by the States Employment Board. I will ask the Greffier to read the proposition.

**The Greffier of the States:**

The States are asked to decide whether of the opinion in accordance with the Act dated 9th November 1961 is amended concerning the membership of the Manual Workers' Joint Council to approve the nomination of 5 of the 6 representatives of the States to serve as members of the employers' side of the council for 2011 as follows: Senator Paul Francis Routier; Deputy Andrew Kenneth Francis Green M.B.E. of St. Helier; Mr. John Richardson, Deputy Chief Executive and Chief Officer, Resources; Mrs. Julie Garbutt, Chief Executive, Health and Social Services; Mr. John Rogers, Chief Executive Officer, Transport and Technical Services.

**9.1 Senator T.A. Le Sueur (The Chief Minister):**

This proposition seeks to reappoint the 5 employer-side members of the Manual Workers' Joint Council. There is a sixth member on the employer side and a representative of the Committee of Constables. These parties have all agreed to stand for a further term of office. I am happy to thank them for the work that they do in negotiating with Unite the Union in terms of manual workers' pay and conditions of service. They represent some of the major employing departments of the States and Senator Routier is also my Assistant Minister. I am happy to nominate these 5 people for the appointment.

**The Bailiff:**

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

**9.1.1 Deputy R.G. Le Hérissier:**

I wonder if the Chief Minister could say why the Chief Officer of Human Resources is not a corporate representative on this panel?

**9.1.2 Deputy G.P. Southern:**



Could the Chief Minister also indicate how many times in the last year the joint council has met because my understanding is that it has rarely met despite the potential massive changes in the public sector workforce that are taking place.

[12:45]

**9.1.3 Senator F. du H. Le Gresley:**

I wonder if the Chief Minister when he responds ... I have absolutely no objection to Deputy Green being a member, but I am sure he was chosen in his previous capacity as Assistant Minister for Education because we are told about employing significant numbers of manual workers. Given his elevation yesterday to Minister of a very small part of the States system, I wonder whether his membership is still appropriate.

**The Bailiff:**

Does any other Member wish to speak? I call upon the Chief Minister to reply.

**9.1.4 Senator T.A. Le Sueur:**

In response to Deputy Le Hérissier, the Chief Officer of Human Resources is not a member of the board because it is felt wise that neither that person nor members of the States Employment Board themselves should be part of the Manual Workers' Joint Council which acts as a sort of intermediate body and if that person was on this body then they would have nowhere else to go thereafter. As to Deputy Southern, how often council has met, I am afraid I cannot answer that question. I am not a member of the council. I do not get copies of the council minutes. I am aware from Senator Routier that they meet quite regularly but I cannot say at this stage how many times they met last year. Finally, to Senator Le Gresley, when this proposition was brought forward, I agree that Deputy Green was Assistant Minister for Education. He may want to reconsider his position now that he is Minister for Housing but that should not stop us from appointing his membership at least at the time being in order that the Manual Workers' Joint Council can be validly constituted and able to meet. Until this is passed they cannot validly meet and hence the need to proceed to day even as an interim measure. I maintain the amendment.

**Deputy G.P. Southern:**

If I may, may I ask the Chief Minister to return to the Assembly with the number of times that the Joint Council has met in the last year?

**Senator T.A. Le Sueur:**

I am led to believe that the council has met twice formally and also 4 times for dispute meetings during the year.

**The Bailiff:**

Very well. All those in favour of adopting the proposition kindly show. The appel is called for then in relation to the proposition of the States Employment Board. I ask Members to return to their seats and the Greffier will open the voting.

<b>POUR: 40</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 1</b>
Senator T.A. Le Sueur				Deputy A.K.F. Green (H)
Senator B.E. Shenton				
Senator J.L. Perchard				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Connétable of Trinity				
Connétable of St. Martin				

Connétable of St. John				
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 Hérisssier (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 of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				

## LUNCHEON ADJOURNMENT PROPOSED

**Deputy J.M. Maçon of St. Saviour:**

Can I propose the adjournment?

**The Bailiff:**

The adjournment is proposed.

**Deputy G.P. Southern:**

Before we do, may I just state for the record that I did intend to vote for my own proposition earlier but failed to do so. I hit the “pour” button [**Laughter**] ... the microphone button.

**The Bailiff:**

The proposition in connection with the Treasury Minister? No, I thought your name was announced as one who had voted pour. Yes, your record is having voted pour. Very well, the Assembly will adjourn until 2.15.

## LUNCHEON ADJOURNMENT

[14:15]

**The Bailiff:**

Before we move to the next matter on the Order Paper I can inform Members that another matter has been lodged, P.26, entitled Draft States of Jersey Miscellaneous Provisions (Jersey) Law request to Privy Council lodged by the Deputy of Grouville.

**The Deputy of St. John:**

I went out and purchased a Jersey flag for the Minister. Could I hand it over to him through the usher, if I may?

**Senator J.L. Perchard:**

Only, I think, if he sings the Island Home Anthem [**Laughter**]. In French.

**Senator F.E. Cohen:**

I formally thank the Deputy of St. John for his most generous gift and I can assure him he will be invited to raise the Jersey flag on my flagpole.

**10. Cold Weather Payments, Amendment to Income Support (P.4)**

**The Bailiff:**

So after that we come to P.4, Cold Weather Payments, Amendment to Income Support, lodged by Senator Le Gresley and I will ask the Greffier to read the proposition.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion (a) to request the Minister for Social Security to bring forward for approval by the States an amendment to the Income Support Special Payments Cold Weather Payments (Jersey) Regulations 2008 in order that pensioners aged 65 years and over who meet the qualifying criteria for the GST Foods Costs Bonus but who are not in receipt of Income Support Benefit are also entitled to receive cold weather payments; (b) to request the Chief Minister to make provision in the 2012 Annual Business Plan for an increase in the funding of Income Support Benefit sufficient to cover the proposed widening of the Cold Weather Payment Scheme as outlined in paragraph (a) to be funded by reducing the budget for the Economic Development Department.

**10.1 Senator F. du H. Le Gresley:**

I am pleased to see that everybody has returned from lunch in good spirits so I am very hopeful that this proposition will be carried. By way of background, I would remind Members that the creation of a Winter Fuel Payment Scheme for all pensioners was agreed by the States in 2006 after an amendment by Senator Shenton to the Strategic Plan 2006-2011. Subsequently, this matter was the subject of a report, R7/2007 presented to the States by the Council of Ministers in January 2007. This in turn led to P.181/2007, Winter Fuel Payments, which was debated on 12th September 2007. Senator Shenton brought an amendment to P.181 which was accepted by the Council of Ministers that requested the Minister for Social Security to prepare a report after 12 months, that is, by September 2008, of operation of the Winter Fuel Payment Scheme detailing the effectiveness of the scheme in achieving its goals and setting out whether persons outside the means-tested income support bands are suffering hardship as a result of the income bar. During the debate on this amendment to P.181, the then Minister for Social Security said, and I quote: "The whole area of income support will be reviewed after it is implemented and not left to wither over the years. The whole idea of the scheme is to reflect social change and the scheme should change as society changes." I appreciate Senator Shenton's desire to ensure that those who do not meet income support criteria do not suffer any hardship. I am prepared to accept his amendments although the mechanisms to achieve such a review may be difficult. However, my department will work to see how this might be achieved. Perhaps the Statistics Unit will be able to help through the Jersey Annual Social Survey. I have checked with the Social Security Department and have been informed that the specific report requested by Senator Shenton was never produced. However the department have pointed out to me that since that date they have worked closely with the Statistics Unit and that the 2010 Jersey Annual Social Survey included a general question on affordability of domestic energy, which I will refer to later in my speech. I am most grateful to Dr. Duncan Gibaut and his staff at the Statistics Unit who have helped me provide for Members today initial statistics

on fuel poverty in Jersey derived from the 2009-2010 household expenditure and income survey. A household is said to be in fuel poverty if it needs to spend more than 10 per cent of its income before housing costs on fuel to maintain a satisfactory heating regime, usually 21 degrees for the main living area and 18 degrees for the other occupied rooms. In addition to space heating the fuel cost components also include model spending on energy for water heating, lights, appliances, cooking but excludes expenditure on motor fuel. Initial findings are that 22 per cent of pensioners who live alone, 12 per cent of couples, one pensioner, and 10 per cent of couples both pensioners spend more than 10 per cent of their before housing costs income on domestic fuel. When the income support special payments, cold weather payments regulations were debated by the States on 16th January 2008, 2 Members in particular expressed concern that the proposed scheme would not help those with incomes just above the income support limits. I quote here from Hansard: "Deputy Scott Warren: I remain concerned that those just above the income support level, those who fear the Bill, may reluctantly decide to shiver instead. The fear factor will remain for many people who are just above low income support. Although I will support this proposition in my opinion it is a better than nothing provision but still not good enough." Also the former Constable of St. Peter, and I would draw the attention of all the Constables to the following comments: "In the regulations I noticed that it has to accommodate the persons who are recipients of income support, at the moment what happens in the parishes is that a number of people that do not receive a regular welfare payment are helped from time to time with their heating in severe winters. The regulations that are placed in front of us at the moment do not take any account of that. I would certainly hope that this might be looked at because there are people that the pinch point is if we have a very severe cold snap. They find that they can get by generally but they find it difficult if they suddenly have to boost up the heating. I would hope that that would not be forgotten by the Minister who might consider that and come up with maybe an alternative of responding to it." In response to these concerns the then Assistant Minister for Social Security who was acting as rapporteur for the Council of Ministers said: "Of course, yes, if they are above income support they may lose out but that is because their income is deemed as sufficient to meet their needs. If at some later date we feel that we need to raise the income levels on income support that would be down to coming back to that later. At the moment we feel they are at satisfactory levels." Later in the debate when summing up the Assistant Minister said: "Those receive income support who will meet the criteria, they are on our database and cold weather payments will be made to them automatically. Anyone who is outside of income support and is suffering hardship, they can make an application under special payments to the Minister. As such those would be considered by the Minister according to the case before them and to the information before them." I am sorry to say that this was an erroneous statement by the then Assistant Minister. Special payments under the income support law for non recipients of income support benefits are restricted to households where the total income is above the limit for income support by up to 10 per cent. A special payment is only made if the applicant has no other reasonable means of meeting the cost, for example from savings. But most importantly under the Income Support Special Payment Jersey Regulations there is no provision for the Minister for Social Security to help with the cost of domestic fuel bills. Consequently the current position is that a pensioner household has to qualify for income support benefit in order to receive any help and any cold weather payment. In order for a single pensioner, who is, say, the owner of a 2 bedroom house, to qualify for income support benefits, he or she would have to have a weekly income of less than £148.54. This is made up of the following components: adult £92.12, household £48.58 and housing £7.84. Members will, I am sure, know that a full single Jersey old age pension is currently £179.97 per week. So a homeowner pensioner whose only weekly income is the full Jersey pension, and therefore £30 above the income support limit, would not be eligible for income support and consequently would not be entitled to receive cold weather payments. The exception would be - and I see the Minister looking at me - if he or she qualified for a level 2 or 3 impairment component under the income support scheme. Similarly for a pensioner couple with the same housing status, i.e. a 2 bedroom house, the weekly income limit under the income support benefit scheme is currently £240.66 made up as follows: adult x 2

£184.24, household £48.58 and housing £7.84. The full married couple weekly pension is currently £298.76 per week, which is therefore some £58 above this limit. I have been informed by the Statistics Unit that domestic energy prices have risen by almost two-thirds over the last 5 years, up to June 2010 and that last year the cost of domestic oil alone increased by 26 per cent. Very recently Jersey Gas tariffs and prices went up by 7 per cent, due to significant increases in global energy prices. According to Age UK an average household fuel bill in 2009 in England was £1,239 inclusive of V.A.T. at 5 per cent. In Jersey this figure is likely to be closer to £1,400 inclusive of our 3 per cent G.S.T. because overall energy prices increased in the 12 month period to June by 10 per cent whereas in the U.K. they fell by 2 per cent.

[14:30]

The Jersey Annual Social Survey 2010 provides us with the information that one in 10 households said that they had difficulties keeping their house adequately warm because of the shortage of money. This is table 12.7 in the survey report and that which is referred by the Minister for Social Security in his comments on my proposition. However, of much greater significance to this proposition is table 12.10 in the Annual Social Survey report where the findings are that one in 4 of households with a total income of less than £20,000 said that they found it difficult to keep warm in winter. I believe that in this identified low income group we will find many pensioner households. A single Jersey old age pension is currently £9,282 per annum. That for a married couple is £15,409 or £18,564 if both partners are in receipt of a full Jersey pension. It follows therefore, based on an average annual household fuel bill of £1,400 that if a single pensioner has no other income he or she will be suffering fuel poverty as they would have to spend up to 15 per cent of their before housing cost income on domestic fuel. A married couple would spend roughly 7.5 per cent of their pensions on domestic fuel. I believe that it is reasonable to conclude that of the 27 per cent of households with income below £20,000 that said in the latest annual social survey that they found it difficult to keep their home adequately warm, the majority will have been pensioner households and in particular pensioners who live alone. My proposition seeks to widen the cold weather payment scheme to cover pensioners over the age of 65 years who meet the qualifying criteria for the G.S.T. food bonus. The qualifying conditions are set out in the appendix to my report. Essentially this will include pensioners over the age of 65 years who do not pay income tax because their total income is below the tax exemption limits which for 2011 are £14,270 for a single pensioner and £23,480 for a married pensioner couple. The Social Security Department has advised me in an answer to a written question I tabled yesterday that the actual number of claims by pensioner households for the 2010 G.S.T. food cost bonus was 979, which is considerably lower than the initial estimated figure I was given of £1,400, which I quoted in my report. Those pensioners aged 65 and over are broken down by household type as follows: pensioners who live alone, 547, over half; couples, one pensioner, 68; and the balance couples, both pensioners, 364. I would like to point out to Members that the Statistics Unit has advised me that the 2009-2010 household expenditure and income survey reveals that 31 per cent of pensioner households which are not in receipt of income support benefit and do not pay income tax are suffering from fuel poverty. This is a very important statistic because in answer to my written question yesterday to the Social Security Minister we are informed that as a result of recent work with the Tax Department we now know that 979 pensioner households currently claiming the G.S.T. food cost bonus is approximately one third of the potential claimants in this age group. I deduce from that that logically these are the same 31 per cent of pensioner households who are suffering from fuel poverty and therefore widening the cold weather payment scheme as I am proposing would target those pensioners in greatest need. I would like to briefly discuss the home energy scheme which the Minister for Planning and Environment has advocated in his comments on my proposition as a better way forward of dealing with fuel poverty. May I say that I am delighted that he proposes to offer the home energy scheme to the 1,000 or so pensioner households I have identified. But I have to point out to Members that some of these households already qualify for the scheme by virtue of the occupants being on the Westfield 65 Plus Health Plan. Also some of this group will be States

tenants who are not covered by the home energy scheme, or they may have private sector landlords who do not wish to participate. The Minister has stated in his comments that to date 77 per cent of people eligible for assistance under the present home energy scheme have chosen not to participate. Of course improved home installations will help to reduce winter fuel bills but with the escalating costs of domestic energy the savings made will quickly be outstripped by increased prices. Furthermore, some of our elderly residents do not have sophisticated heating systems and rely on simple electric fires and plug in radiators which are expensive to run. Using the annual savings figures provided by the Minister in his report it would only take a 10 per cent increase in the cost of domestic fuel to wipe out the potential savings of say £145 per annum from loft insulation, which I understand is the most common use of the home energy scheme. We know, of course, that domestic energy prices have increased, on average, by 12 per cent per annum over the last 5 years and in all likelihood global energy prices are set to rise further due to increased demand by countries such as China and India. I hope Members will support part A of my proposition, particularly those Members who supported Deputy Green's amendment to the 2011 budget to remove G.S.T. on domestic energy as this proposition targets help on the more vulnerable pensioner householders and will assist them to pay for domestic fuel and thereby the G.S.T. element of those bills, which will be increasing by a further 2 per cent in June. I would remind the Ministers for Social Security, Home Affairs and, of course, our new Housing Minister that they all voted in favour of that particular amendment to remove G.S.T. on domestic fuel. If this proposition is approved the 2012 budget for income support benefit would need to be increased by a minimum of £220,000. This is calculated using the total of cold weather payments paid to a single eligible household in the winter of 2009-2010 being £225 multiplied by 979 which is the number of eligible pensioner households which claimed the 2010 G.S.T. food bonus. Obviously in a more severe winter the total cold weather payments paid to an eligible household would be higher than £225, having said that, in a warmer winter it would be less. It is possible that more of the 2,000 or so currently eligible pensioner households who thus far have not claimed the G.S.T. food bonus will decide to make a claim in the future, particularly when the G.S.T. rate rises to 5 per cent. If this should occur the 2013 Social Security budget for income support cold weather payments and the G.S.T. food bonus would have to be significantly increased. I have to say that I am disappointed, but possibly not surprised, that the Council of Ministers and the Minister for Social Security do not support this proposition, but I would remind Members of the following 2 key points. Firstly, the Statistics Office have confirmed that fuel poverty really does exist in 31 per cent of pensioner households which are not in receipt of income support benefits and do not pay income tax. Secondly, nearly 3,000 pensioner households are eligible to claim the G.S.T. food bonus yet only a third choose to do so. For reasons I have already given it is therefore logical to conclude that if my proposition is approved we would be targeting help on many of those pensioner households who are currently suffering from fuel poverty. Part B of my proposition is subject to an amendment by Senator Shenton which I am happy to accept. I would simply say that I recognise that the Council of Ministers will need to find appropriate savings if we are to remain within the set expenditure limits for 2012 and 2013. My proposal is that the budget for Economic Development is reduced as appropriate. I have put forward a number of suggestions where budgets within that department could be trimmed, but essentially this is a matter best left to the Council of Ministers and their officers to decide. I would just like to sum up by saying that in my opinion looking after the elderly and needy in our society should be of the highest priority for the States of Jersey. If it comes down to having to choose between rural initiative grants for wealthy landowners or helping elderly citizens with incomes just above income support limits, to keep warm in winter, I know where my priorities lie. I make the proposition.

## **10.2 Cold weather payments: amendment to income support (P.4/2011) – amendment (P.4/2011 Amd).**

**The Bailiff:**

Is the proposition seconded? **[Seconded]** Very well then, as Senator Le Gresley has said there is an amendment lodged by Senator Shenton so I will as the Greffier to read that amendment.

**The Deputy Greffier of the States:**

Page 2, paragraph (b), for the words “to be funded by reducing the budget for the Economic Development Department” substitute the words “and to further request the Chief Minister to endeavour to make provision for this funding within the overall 2012 expenditure limit already agreed by the States by reprioritising expenditure proposals in other areas as considered appropriate.”

**10.2.1 Senator B.E. Shenton:**

I will be fairly brief with this amendment. I was very pleased when Senator Le Gresley brought this proposition. I know as a homeowner how much heating costs have gone up over the last few years since we brought the winter fuel payment system in. I was a little bit concerned because Senator Le Gresley had identified where the money would come from, i.e. Jersey Advisory Service, Jersey Business Venture, Jersey Enterprise Awards, *et cetera*, that we would end up having a debate on whether we should carry on funding these particular issues and lose sight of the fact that we are looking to increase the winter fuel payments to those that are desperately in need. I tried to keep my wording of the amendment as reasonable as possible to give the Council of Ministers and the Minister for Treasury and Resources the widest possible scope to find this amount of money to support this very vulnerable section of society. I do not know whether the Council of Ministers are supporting my amendment or not, I am pretty sure the Minister for Economic Development will, bearing in mind it takes the heat off his own department. But I would like to lodge the amendment.

**The Bailiff:**

Is the amendment seconded? **[Seconded]** Senator Maclean.

**10.2.2 Senator A.J.H. Maclean:**

I welcome, not surprisingly, as Members I am sure will agree, the amendment by Senator Shenton. Clearly what he is proposing is certainly a more pragmatic approach. I think this is a matter for the Council of Ministers to consider should this proposition be accepted by Members and I think the Council of Ministers needs to consider as a whole the funding mechanisms. There were various flaws in the proposals that Senator Le Gresley made, although he was not specific about where the funding should come from in my department, I would just comment on the Jersey Enterprise Awards is one area that he identified as a cost of £75,000. In fact it is cost neutral because, of course, we get revenue in as well.

[14:45]

But without going into any further detail I would just support this particular amendment of Senator Shenton. Thank you for bringing it, I think it has been extremely helpful and we can move, hopefully fairly rapidly on towards the more substantive debate on the main proposition.

**10.2.3 Senator F.E. Cohen:**

States Members displayed a huge element of foresight in approving the £1 million a year for the energy efficiency service and this is now up and running and delivers a turnkey service for the most vulnerable in the Island. I hope you will allow me to combine the elements of the ...

**The Bailiff:**

Excuse me, Senator, this is now a very narrow point on the amendment, which is whether, if the proposition is passed, the savings come from wherever the Council of Minister choose or out of the Minister of Economic Affairs. I would have thought that is a short point and you do not need to go into the merits of the proposition which you can speak to on the main debate.

**Senator F.E. Cohen:**

Thank you, Sir. You are quite right and I stand entirely corrected. All I will say is that from my perspective we have a budget for the energy efficiency service, I think this is very important and I think that reducing carbon is very important but I believe that the Council of Ministers should support this and I undertake to play my part in delivering the necessary funding.

**The Bailiff:**

Does any Member want to speak on this narrow amendment? Deputy Pitman.

**10.2.4 Deputy T.M. Pitman:**

I will try and be as narrow as I can. I am obviously going to support the main proposition of Senator Le Gresley but if I think really hard I can even say something nice about Senator Shenton and his amendment. I think obviously the Senator suffers because nothing that he brings is really as insightful and as wonderful as his P145 when he wanted to get rid of 4 Senators, but I think Members should not lose sight of the fact that this amendment could be very beneficial. In essence, with the wording of the amendment, if it is accepted, it is giving, as I see it, the Council of Ministers carte blanche to bring the main proposition about in whichever format they so desire. So just as I firmly believe that all who can work should do so, I also believe all who can stand on their own feet financially should do so. However, with the amendment and the proposition when it comes to those who cannot, and listening to the very well crafted argument of Senator Le Gresley of those who we need to focus on, I really think we need some assurances from the Council of Ministers and the Chief Minister, which I doubt we will have, I am afraid, that if we do this we would not effectively end up robbing Peter to pay Paul. I think that is all I really need to say on that matter and I look forward to hearing some response from the Chief Minister.

**10.2.5 Deputy D.J. De Sousa:**

I am really pleased that the Senator has brought this amendment forward because although I would not like to vote against the original proposition it would have been very difficult for me because of the tight constraints that were put on where the funds could come from. So I welcome this amendment and hope that other Members will support it too.

**10.2.6 Deputy P.V.F. Le Claire:**

Your clarification to Senator Cohen applies to me also.

**10.2.7 Senator T.J. Le Main:**

Just to dispute Deputy Southern that I cannot put 3 words together, I have managed 5. I support this amended proposition. **[Laughter]**

**10.2.8 Deputy J.M. Maçon:**

I do support his amendment and I think it is within our remit to be able to talk about things within the attached report?

**The Bailiff:**

Within which report?

**Deputy J.M. Maçon:**

To the amendment. I just want to make a few comments about the report that Senator Shenton has made. There is a general discussion about the problem of a benefit system which is talked about.

**The Bailiff:**

That was really more directed towards the main proposition, not towards the amendment. I know it is part of his amendment but it is all relevant to the main proposition so I suggest you speak then, Deputy.



**Deputy J.M. Maçon:**

All right, thank you, Sir.

**10.2.9 Deputy M. Tadier:**

While I am supportive of the substantive principal of helping those who are struggling to heat their own homes, cannot afford it, I do not know if we have all gone slightly mad here because normally there is a principle, whether one agrees with it or not, when you bring a proposition that requires additional spending and an additional funding stream that you should know exactly where that money is going to come from. In the substantive proposition it is already fairly vague. Senator Le Gresley, and I appreciate his hands are tied because none of us as a Back-Bencher is the Minister for Treasury and Resources, we do not have the direct influence to set budgets, but it is already fairly vague. It simply says: "I would like it to come out of the Economic Development's budget. I am not going to say exactly where" but at least he has given some ideas of possibilities of where it can come from. We have seen this amendment here which makes it even more vague so we say: "Let us decide this principle" and we all know the dangers of deciding something in principle only to say it will come back later on. We will let the Council of Ministers decide where that funding stream is going to come from and it could be entirely controversial. First of all it is going to be presented in the budget. We will have to pass that as an Assembly and we will each have our own pet projects. We will have things that we agree with that need extra funding and we will all have those areas which we will fight for, because of whatever reasons, which we will defend. So I think we are making it even worse if we adopt this amendment today because we are saying that we are not even going to limit it to one department, it can come from anywhere. We are not going to worry about where the funding comes from. That does not seem like good business sense to me. That is simply not the way to do business. If we are going to do that, that is fine but let it apply across the board, let it be that Deputy Tadier can say: "I want to give free milk" that is not my pet project, it is somebody else's, and not worry about the consequences. Not worry about where it is going to come from because the Council of Ministers can propose something in the next budget. That is not the way to do business, that is not the way we have been doing business. I do not see why Senator Shenton has brought this and can expect ... I do not even know why there has not been anyone saying this yet. It is bizarre. I certainly will not be supporting this amendment, although I do support the principle in the substantive proposition.

**10.2.10 Deputy G.P. Southern:**

I rise to share the opinion of the previous speaker who suggests that this is a very dodgy way forward. In particular I draw Members' attention to the wording of the proposition. While the Senator has suggested he has tried to draw it as wide as possible, I think he has gone a step too far because it says: "And to further request the Chief Minister to endeavour to make provision for this funding within the overall 2012 expenditure limit already agreed by reprioritising the expenditure proposals in other areas as considered appropriate." If I asked somebody to endeavour to do something, they can come back to me and say: "Quite literally, I tried and I could not." It seems to me that this amendment is as weak as water. Anyway, if he were to endeavour and succeed I think the Council of Ministers, the Chief Minister who is not here to debate this issue, and the Minister for Treasury and Resources who is not here to debate this issue, or an Assistant Minister for the Treasury - can I spot one? An Assistant Minister for Treasury over there on the back - could come up and say: "Because we suspected that this might go through, certainly the principles is going to go through, I hope, and this amendment might go through, we have already given some thought as to where we will be dipping in the various pots. The result is that the likelihood is we will be looking here, here and here. There is absolutely no point in passing this proposition if they were to then come round and say: "I have tried and the only place I can take it from is from the Minister for Social Security." What you give out with one hand you will take with the other. That would be absolutely absurd but in the wording of this proposition absolutely possible. That is the last thing that we want to happen as Deputy Trevor Pitman just said a short while ago, we do not want to rob

Peter to pay Paul. Exactly. So it might be an idea if some representative of the Chief Minister or the Minister for Treasury and Resources or anyone could give us some indication as to what the thinking would be and would it pro rata across all departments? Would Social Security be exempted? Would the hospital be exempted? Somebody must have done some thinking, please, in preparation for this debate or not? I wonder. I would like to hear from the Minister for Treasury and Resources or the Chief Minister or their representative before I vote on this and say yay or nay. I do not think I am going to get that assurance that it will be roughly this way and this is the way we will look at because I see no faces responsible for those decisions around me and I see one looking particularly unconcerned.

**10.2.11 Deputy R.G. Le Hérissier:**

I share the confusion. I must say Deputy Tadier of St. Brelade gave the speech which I would have expected from the Council of Ministers. This is the irony of this situation. He behaved with ... I am sure he will be going home tonight and checking on the pills that he is taking, but I thought he gave a very responsible speech. I find this all at odds because when I read the drift of Senator Shenton's proposition he made, I thought, in the rhetoric that we have come used to from Senator Shenton, some very good points. I thought immediately he was going to say: "You have to take it from this sub-budget of Social Security" but then all of a sudden we get involved in this wishy-washy approach of going anywhere. I was also surprised, I thought the Minister for Economic Development was going to make much more spirited response because Senator Le Gresley was very dutiful, he identified 3 areas of that Minister's budget for cuts. No defence has been put up. He followed the procedure, which maybe he should have followed at the Business Plan admittedly, he identified these areas, they are discretionary areas it will be noted, they are discretionary areas and there has been no robust defence. I was rather disappointed. I will support Senator Le Gresley and not the amendment simply because the hard facts have not been put forward and this is, I am afraid - and very unlike Senator Shenton - a total cop out.

**10.2.12 Deputy J.G. Reed of St. Ouen:**

Hopefully I can answer some of the questions that Deputy Southern poses and others. First of all let us be very clear that we should not even be debating this matter at this point in time. We have a process that we follow as an Assembly to determine spending priorities and where the resources are directed and that is through the Business Plan debate. Everybody has participated in that and, indeed, this year more importantly, not only have we identified where we should be spending our money but we have also identified where money should be saved. Suddenly here we go. A proposal comes out of the blue which is targeted at a group of people that you can easily argue could need and may need assistance. There are many other different groups of people scattered throughout the Island in different circumstances that you could also make a case for providing additional help. Members also need to remember that we have already required the Minister for Social Security to find savings from his budget and yet there are certain individuals who say: "Maybe we should take some more. Maybe more should come from Education" and we have had debates about whether £27,000 should be saved by stopping lifeguards at Havre des Pas. We had another debate about £33,000 in supporting school kids accessing Durrell. Thank goodness a sponsor has come out and provided for that. But those are small numbers compared to the £315,000, £400,000, whatever the number will be that we will be required to provide for this. Do we need to help people? Yes. I am sure that in the main debate the ...

**The Bailiff:**

I am sorry it sounds as if much of this is on the main proposition as to whether it should be passed or not.

**The Deputy of St. Ouen:**

Perhaps just strengthening the point, Sir, that I do not believe that this amendment is at all appropriate because ... and maybe we go to the magicwand.com internet site that was suggested yesterday and as the Council of Ministers we somehow magic up the amount of money that is required to fund this.

[15:00]

**Deputy G.P. Southern:**

May I seek a point of clarification from the Minister? Is in effect what he is saying is: “Not from my budget”?

**The Deputy of St. Ouen:**

I am saying that we have already had that debate and certainly my budget could not cope with funding this sort of additional expenditure.

**The Bailiff:**

Does any other Member wish to speak on the amendment? Yes, the Deputy of St. Mary.

**10.2.13 The Deputy of St. Mary:**

Just to follow on exactly from that last comment, that sort of crystallised what Deputy Tadier was moving towards and I think another Member said how is this going to work? He said more or less many other groups are scattered throughout the Island who deserve help and why this group and not those groups. That is where this amendment takes us, is it not? What it effectively is doing is adding to the £65 million cut that we have agreed. It is saying: “Well, we can find another £300,000 from somewhere, from some other group, from some other requirement, from some other thing that we have been spending so far and that we are not going to spend any more.” So I think that is the difficult bit and we are adding to it because of a cut that is already, in economic terms, slightly odd and so I think the proposer is going to have some explaining to do.

**10.2.14 Senator P.F.C. Ozouf:**

I will be supporting the amendment because I do not think that we should be having a business plan debate now about a specific allocation within a department, and that unamended is what the underlying proposition will be. The Council of Ministers has a difficult job of reconciling different priorities. The Council of Ministers is under instructions, the Chief Minister is under instructions to bring a business plan with an overall expenditure limit and the target of £65 million, and if the Assembly does go on to the underlying proposition and want to ask the Council of Ministers to find this additional money I think that the Council of Ministers must be able ... it may well be that it is Economic Development, but we have to be able, I think, to be able to reconcile those different priorities at that time if asked with that decision. So I think it would be wrong to specifically target one Minister or one department in the underlying proposition. I think I reserve my position in the overall amendment but in terms of making the amendment appropriate, and I understand Senator Le Gresley has accepted it, I think that this is the only fair and reasonable way to deal with such a request. We cannot and should not have a business plan allocation decision now in respect of where the money comes from.

**The Bailiff:**

Does any other Member wish to speak? Deputy Gorst.

**10.2.15 Deputy I.J. Gorst:**

While I understand your ruling with regard to the narrowness of the amendment the wording of the amendment obviously is slightly at odds with what is written in the report. So while you are the saying that the amendment allows the Council of Ministers to go away, the indication from the mover of this amendment is that I can take it out of the income support budget and I can take it out

of the means testing system and provide it to those who are just above a means testing system. I do not feel ...

**The Bailiff:**

I think, Deputy, you must speak to the amendment. The amendment simply says it is up to the Council of Ministers so I think that is what you need to speak to. It is a choice between the Council of Ministers having a choice or it coming out of the Minister for Economic Development.

**Deputy I.J. Gorst:**

That is indeed correct, Sir, but I think it is incumbent upon any Minister that feels that things that have been said in a report which might not be factually accurate or, to some extent, can be unfounded, it is only fair that that Minister is given a moment or 2 to perhaps discuss those issues. **[Laughter]** In light of that if I could simply draw Members attention to my comments. If they were to read that they would see what I have said, they would look at the calculations, they would perhaps have a better understanding of how the system works and some of the things that Senator Shenton ... yes, some of the things are absolutely right that he has drawn attention to and they are things that my Assistant Minister and I are working on and will be coming forward to this Assembly with changes. But some of the things he said were not right and I ask that Members look at those comments and take note of them.

**10.2.16 Deputy J.A. Martin:**

Yes, just briefly. I was not going to really comment on the amendment because I had read it, and perhaps I have been here longer than him and I do not want to pick on Senator Le Gresley, but I think he is absolutely silly to accept this amendment. It is exactly where Deputy Tadier and everyone is coming from. Read the Council of Ministers, read Planning, Social Security are not going to accept the overall proposition for Senator Le Gresley. This would be the best of any world if it got through and they are not going to accept it. So there is an edge there that: "Hang on a minute we are a bit frightened here, it might get through." We do know there is people out there that are suffering so let us go with this one because it does give them a long piece of string to come back and accept, as this Assembly has already said, there is no money anywhere and no one is going to give up any of their budget. So I urge people who think that this is a good amendment to vote against it. I am not voting for it. I will vote definitely with Senator Le Gresley but, as I say, I think I have been here long enough to read in between the word and what the words say, and they mean nothing. Senator Shenton's amendment to the proposition means absolutely nothing.

**The Bailiff:**

Does any other Member wish to speak? Very well, I call upon Senator Shenton to reply.

**10.2.17 Senator B.E. Shenton:**

I can assure you there was no hidden agenda here or anything else. Senator Maclean accepted the proposition and Senator Cohen seemed to intimate that he had some spare money but no doubt the will tell us about that when we get to the main debate. A couple of Members, Deputy Southern and Deputy Tadier, said this is not the way to do business. In fact it is the way to do business. When you are looking at where your expenditure is going to come from you need to look at the whole round, not just pick isolated items that you disagree with at any particular time. What Members need to remember, and Deputy Judy Martin in particular who I would have thought would have been in this Chamber long enough to realise this, is that the Council of Ministers role is to carry out the wishes of the States Assembly. That is the role of the Council of Ministers. If the Council of Ministers sends out a message today that this Assembly wants to put in place an extension to the winter fuel payment system it is the Council of Ministers' job to carry that out. If, when the Annual Business Plan comes next year, we do not like where they are taking the money from or we do not like how they are carrying it out, we as Members of the Assembly have the right to lodge an amendment and we can quote from this debate exactly what Members have said and we can quote

the vote from this debate. I have no doubt that Senator Le Gresley and myself, and many other Members, will be looking at the Annual Business Plan and we will be looking to see how this is funded and be looking to where the money is coming from and exactly how the whole thing is laid out. This is the proper way of doing business. It is not, I do not believe, right away from the Annual Business Plan debate to start taking money off departments. I think the Annual Business Plan debate is there for a reason. So I would like to put forward the amendment and hope that most of the Assembly will support us.

**The Bailiff:**

The appel is called for then in relation to the amendment of Senator Shenton. I invite Members to return to their seats and the Greffier will open the voting.

<b>POUR: 35</b>		<b>CONTRE: 15</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Deputy R.C. Duhamel (S)		
Senator P.F.C. Ozouf		Deputy of St. Martin		
Senator T.J. Le Main		Deputy R.G. Le Hérisier (S)		
Senator B.E. Shenton		Deputy J.A. Martin (H)		
Senator F.E. Cohen		Deputy G.P. Southern (H)		
Senator J.L. Perchard		Deputy of St. Ouen		
Senator A. Breckon		Deputy of Grouville		
Senator S.C. Ferguson		Deputy J.A. Hilton (H)		
Senator A.J.H. Maclean		Deputy S.S.P.A. Power (B)		
Senator B.I. Le Marquand		Deputy S. Pitman (H)		
Senator F. du H. Le Gresley		Deputy I.J. Gorst (C)		
Connétable of St. Ouen		Deputy M. Tadier (B)		
Connétable of St. Helier		Deputy A.E. Jeune (B)		
Connétable of Trinity		Deputy T.M. Pitman (H)		
Connétable of Grouville		Deputy E.J. Noel (L)		
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 J.B. Fox (H)				
Deputy of St. Peter				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy of St. Mary				
Deputy A.T. Dupré (C)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				

**10.3 Cold weather payments: amendment to income support – as amended (P.4/2011)**

**The Bailiff:**

Very well, we now return to the debate on the proposition as amended. Does any Member wish to speak? Deputy Le Claire.

**10.3.1 Deputy P.V.F. Le Claire:**

We probably will still be tempted to speak at length about various in relation energy efficiency and insulation, affordability, means testing, ad infinitum. But I would just like to say a couple of things so maybe these will not be repeated. I would like to congratulate Senator Le Gresley and Senator Shenton for having done this work. I think it really does show the level at which Senator Le Gresley goes into a proposition to determine what he has determined today. I am certainly going to be looking at the Hansard, digging that out and printing it so that I have that as a point of reference, not only for when I get old to make sure that I have enough pension coming my way but also to compare what other people in other jurisdictions consider to be fuel poverty. I think it is an incredible bit of work that he has done and he should be congratulated for that. I think he should be congratulated for that. No, it did not work the first time. We have £1 million in the energy efficiency fund, and then some, which we are taking from the V.R.D. (Vehicle Registration Duty) that we have introduced as a tax to fund the installation of homes. No doubt the Minister for Planning and Environment Minister will speak about that. This is going to cost £300,000 and while there is a body of work to do in relation to the energy mix and the energy efficiency that Jersey is looking at, we have yet to see an energy policy, we have yet to see an air quality strategy, the 2 things hinge quite significantly to each other. We are yet to see freedom tariffs that achieve anything like the interest level that people will invest in in terms of mitigating against electric fires and plug in radiators. Unfortunately the amount of money that the Senator indicates that people are spending on their household heating bills, £1,400 in Jersey, could be significantly reduced if there were better options and more widely informed constituents in Jersey as to the alternatives to these types of heating devices. Indeed the Housing Department, through the Minister, also needs to be cognisant of these issues and it was recently raised by Deputy Maçon when they were refurbishing housing. We are fortunate that the new Minister for Housing has got a background in the understanding of heating, it is very important for him. If things are not hot or if they are over hot it burns the cakes, *et cetera*, so he has a good understanding of heating. Not to flippant but you need fuel to heat your kitchen. But just to finish off, in congratulating Senator Le Gresley, does it not just go to show what we have always said, how many people do not come forward to receive things that they are entitled to because it is just not the Jersey way. I wonder where we will be in 10 years' or 20 years' time when people that have not grown up in this Island, that are now considered to be our elderly community, see that there is something that they are eligible for and have access to it. Maybe they were born here, maybe they have come here but certainly the custom has been not to go and to go without. To hear today that only 1,000 out of 3,000 people who are eligible go to get that money and to hear today that the number ... I have not got the figures, I did write them down. The number of people that could have had benefit that did not get it, the number of people that are in potentially fuel poverty that are pensioners percentage-wise and the fact that the department did not do any money, I think is just disgraceful for the States. We had one of the coldest winters and we have taken this power and we have placed it in the hands of a very, very finite group of individual Ministers, many of which have passed over some responsibilities to their Assistant Ministers. Certainly when it comes to heating for pensioners and States decisions, these are things that should not be left alone and they should be tackled and brought forward. The Minister for Social Security is straining to understand what I am saying. What I am saying is from the information I have received today from Senator Le Gresley there were a lot of people out there this year that were hurting financially or physically because of the cold weather that could not afford to heat their homes because of a lack of resources, either because they did not go to get the resources or because they had not got the resources. While congratulating the Senator I would like to say that the States, in my view, and the Council of Ministers has failed the elderly community and they need to pull their socks up. I will be supporting the proposition.

### **10.3.2 Deputy J.M. Maçon:**

Second time lucky. Yes, in the report to Senator Shenton's amendment he does discuss the income support system and he comments that there are many people who want to work that cannot afford to because after tax, childcare and social security they are much worse off.

[15:15]

He goes on to discuss unemployment being a lifestyle choice rather than a burden. Two points that I want to make here, first of all coming from a constituency where there is a diverse social economic status, that has upset many of my constituents who do work hard but find themselves on income support. Maybe that was not the point that Senator Shenton was trying to make but it has upset a lot of those who do try and work yet simply because of the cost of living on the Island ... and I think Senator Shenton does make this point well in his report, that to live on Jersey you need a lot of money to do it. It is not a small amount that you need in order to support a family. I think Senator Shenton does that well but it may not have been communicated in the best way to some people. At the same time, it has made me laugh because Senator Shenton commented earlier on Deputy Le Hérissier when he was talking about the problems within the Council of Ministers and commented that it was Deputy Le Hérissier's responsibility as a States Member to sort out these problems and yet we have Senator Shenton highlighting all these other problems and I think the saying goes: "If you are a States Member and it is your duty to sort it out, what is good for the goose is good for gander." I am sure Senator Shenton will be working on that. I just had one or 2 questions to put to the Minister for Social Security before he spoke because I am sure he will be addressing this. I understand that the whole fraud section of his department has been bolstered and it does link to what Senator Shenton has talked about, about people getting benefits who may not need it. I would like to know how well that has gone on, because, again, I want to know how much money is going to be available in the system. Perhaps it may not come just from one source, it might come from different areas but I would like that commented upon. Thank you.

### **10.3.3 Senator S.C. Ferguson:**

I am glad to hear that the Minister for Planning and Environment will be doing more work on insulation. I would advise him to forget the carbon dioxide stuff, just get on with the insulation which is very much more necessary. Reputable meteorologists are forecasting a series of cold winters in the immediate future and the result of this will be that this allowance will no doubt increase. There are 3,000 eligible pensioners and no doubt somebody will check my maths for me, but the costs of 3,000 allowances are approximately £675,000 a year based on the £225 recommended by the Senator. So there is a prospect of it doubling by 2036 to at least £1.35 million at current prices and it will no doubt be higher at future prices. I have been nagging the Minister for Employment and Social Security Minister to look at the look at the consumption of value of benefits. The comparisons made in the Minister's comments in part 2 underline that approach. We have family A earning £31,640 a year plus income support which gives them £33,927 after tax; we have family B with earnings of £15,000 a year receiving £32,567 with no tax but the question arises, are we encouraging a benefit dependent culture? If you can get the same money from income support, why work? As to the cost of energy which has been mentioned. Members may not have noticed that the supply of gas is going to be significantly increased over the next few years and the price will be falling on world markets, except at Jersey Gas. So perhaps we should have a referral to the J.C.R.A. In view of the current review of income support by this department perhaps the Minister would confirm that he will include this particular matter of the cold weather payments in his consideration of income support. At this point in time, coming into spring and warmer weather, as has been mentioned, the proper place to debate this is in the overall September Business Plan debate. It may be that the Senator would like to bring this back then, unless the Minister brings reforms in income support back to the Assembly first. I will wait to hear from both the ministerial benches and the proposer, Sir.

### **10.3.4 Deputy R.C. Duhamel of St. Saviour:**

I must admit to being, despite the heating being on in the Chamber, lukewarm to this particular proposition. I am one of those Members who as time passes and I get older am becoming increasingly begrudging of monies expended on 5th November. What has that to do with what we are talking about? A lot of people are happy to see their money go up in smoke as long as it looks

pretty, and I think in some ways this is highly relevant to what we are discussing today. We can read in the report by Senator Le Gresley that in his view the most effective way to help more low-income pensioner households escape fuel poverty is to widen the qualifying criteria for cold-weather payments. So, do not look at anything else, just pay more people. If we look at the fuel poverty ratios there are other things that could be done in order to solve the problem but in a slightly different way. It is only fairly recently that most houses have begun to be heated, as is mentioned in paragraph 3 of the report, to 21 degrees Celsius for the main living room area and 18 degrees Celsius for other occupied rooms, but in a lot of cases if we do not have insulation schemes we are just wasting our money. It is going out of the window, it is going up the chimney, it is going out of the roof, it is going out of the doors. Another way of achieving a solution to the problem might be to decrease the temperatures in your main living rooms. Why does it have to be 21 degrees Celsius? It is a completely arbitrary figure and encourages old folks to run round in their underwear, which might be appealing for some people and I suppose it might be appealing to me at some stage in the future but not at the moment, but it still encourages us to be profligate, and time and time again in this Assembly we find ourselves being presented with propositions whose main solution to the problem is just throw more money at it, spend more money, even if we do not have the monies, and solve the problem. I came across some interesting research just recently in the U.K. and further afield in terms of the shivering mechanisms that humans use to keep warm. Perhaps most Members will be surprised to learn that shivering is an entirely natural phenomenon and it is all down to a particular type of tissue called brown adipose tissue that is chiefly centred between your shoulder blades. It functions by being specifically very efficient in burning up fat and keeping us warm. What is becoming evident is that as modern society moves more and more towards keeping us like pampered guinea pigs in overheated cages we are losing the ability, which comes with age anyway, to shiver. What happens? Well, quite frequently old people are not dying of the cold, they are dying of the inability of their body to regulate their own heating and all the colds and the damp and other things that spread diseases. So, it does not follow when we look at it that the solution is to just give more money so that people can spend more money to pay the heating utilities to make bigger profits to be reinvested or whatever, to heat the houses, when in actual fact the problem should be centred on heating the people. There are many ways you can do this. I remember suggestions when we were talking about water shortages a number of years ago the "Don't Waste Water" campaign and somewhat tongue in cheek was the suggestion with it: "Don't waste water - bath with a friend." We could encourage people instead of living alone to take in lodgers. It is easier if you are cooking to cook for 2 people rather than to cook for one person. If you are going to put on a heater in a room why just do it to heat the house for one person? Why not invite a whole family load over and generally ... and again the science of heating is that all of us generate something like 60 watts of energy just by normal breathing in and out, if we do anything more our temperatures tend to go up and that is why this Chamber gets as hot as it does sometimes. Having a lot of people in one place in one time we do generate a lot of heat so again it seems somewhat perverse to not be having policies which encourage people to live together or to find lifestyles where they come together to share the heating costs or to share their own body heat in common circumstances. **[Interruption]** Take a bath? I will not go there, even though I am being encouraged to by Deputy Le Hérisier. There are other issues. Some of us accept that there is the phenomenon of climate change and certainly in the newspaper reports and radio reports just recently, when there was this very cold snap in the U.K., Jersey did pretty well and our average temperatures held up round about zero degrees Celsius whereas they were substantially lower on the south coast of the U.K., which is not too far away. Why we have to adopt policies and principles which copy our northern cousins is beyond me when there are better ways of dealing with the problem in a way that is perhaps more suited to our local climate. Indeed, if we look at people further afield, and I can think of those living in Nunavut, the Eskimos, and perhaps if we do not go as extreme, if we look at Canadians or even North Americans, the whole world does not stop when it gets cold. They have the clothing and are sensible enough to wear it when the temperatures begin to drop and they are enabled to carry on their lives at a substantially lower cost than perhaps



might be the case if we adopt this cold weather payment for everybody. All in all, I think the best method is to encourage the heating of the person directly rather than encourage heating of houses and the non-usage of rooms that are heated to a temperature but do not give the benefit of that high heat to any of the occupants because the occupants are generally just living in the one room. I cannot vote for this because even though some of us might think that £300,000 extra is a small sum to pay to widen the scheme there are, as I said, alternatives of achieving more value for money if we think about things in a slightly wider fashion. So with that I will sit down. I shall not be supporting this proposition.

### **10.3.5 Deputy M. Tadier:**

I am glad to follow on from Deputy Duhamel. Clearly there is a lot I agree with there and I think a lot of it makes sense. What I do take exception to, and it is slightly offensive I think, is this idea that there is a whole bunch of pensioners sitting at home in well-heated houses running around in their underwear. Not because that is a slightly comic image, but the serious aspect of clearly this individual, which Senator Le Gresley has sighted, who is in his 80s, who was huddled round his stove in the kitchen because that was the only room in the house which he could afford to heat.

[15:30]

He was clearly not in that situation. I am not saying that this individual is necessarily representative but I was certainly struck by that headline and I know that Senator Le Gresley was, as many Islanders were. It is difficult to know how commonplace these things are but clearly there is a section of society who find it difficult to heat their homes. That is not the whole story. I sympathise a great deal with Deputy Duhamel. We have a good chance to talk to each other and I think we share many of the same ideals, but really my issue is that we do not live in that ideal society and it is the transitional arrangements in the meantime before we get to that stage. It is good that we do have these insulation programmes that go on. In my opinion they have not been far-reaching enough and they have not been targeted enough, and I will give a couple of examples, because it really needs to be done on a needs basis. It cannot be done by simple measures as to whether you own your own home or whether you earn a certain amount of money or you do not own your own home. For example, it could quite easily be that because you are a low-earner you live in rented accommodation that you have been able to get assistance to insulate your home so you have a well-insulated home. I lived in town for a brief while in a pretty nice apartment in Gloucester Street and it was fine, it was town living, it was a not a massive apartment but it was really well insulated. Something I noticed is that I pretty much did not have to put the heating on at all for the whole year, that is in January/February time, I would just put the heating on as and when I needed it for 20 minutes, warm the room up and that was sufficient. So clearly somebody living in those circumstances may have qualified for insulation but they also may qualify for a winter fuel payment. They may not need it though, if they are only using a very small amount of fuel. Clearly there are educational issues that need to be looked at. Certainly how often you bath, whether you leave windows open, common sense things like that. Whether you use the microwave to cook your meal, which takes 3 minutes, rather than using the oven, because I know that people are sceptical even nowadays about using microwaves, which I think is a myth, but these kind of things will of course need to be tackled by educational means, and we will see that. But for many individuals they are not in those situations. This is something which is quite personal to me because I have elderly parents and, of course, one tries to be objective but ultimately the personal is political. We become familiar with issues because of our own circumstances and of those around us, but it also applies to many of the elderly who live in my constituency. I know that my parents own their own home but every time I go there it is very cold. You have to put on jumpers because it is very badly insulated. They do not earn enough, and they would be one of the couples who would benefit from this because they do receive the G.S.T. bonus. They do not get income support but they do not earn enough to pay income tax. They would benefit more from having insulation in their house. It would be a one-off payment, it would get done somehow, and quite frankly they do not have the

cash lying around because it is a vicious circle. They have high electricity bills, high fuel bills, there is no central heating, and simply the money is going out of the window quite literally and it is going into the back pockets of the fuel companies and the utility companies. So, clearly there is an issue here. It is all about needs, it is all about how we best use our money, and I would prefer to see this money used for insulation for those who are going to most benefit from it. We can argue all day about whether we should be paying for insulation or whether they should be paying for it themselves. My colleague and I had a quick debate about that and said: "Well, why do they not do that in their own homes?" It is not simply because the Jersey men and Jersey women, and I do not accept that it is limited to Jersey either, are too proud to accept things. It is that we all do things that are easy so unless we think about it, and this is something which is well known in marketing circles, when you go into a supermarket generally you just pick something that is on the shelf. It is at eye level, you do not necessarily spend a long time choosing the thing that is economically most sensible, which might be on the bottom shelf. You just do things for convenience. If elderly people out there in particular do not see the way to do something, if it is not easy, if they do not see that you can phone up a number and inquire about insulation and you can get a visit, someone will come to your home and say, not necessarily for free, but: "We can give you insulation. It will be £1,000 and we can guarantee that your fuel bills are going to go down" they would make that investment and their children, I am sure, would also be willing to make that investment for them. So, I do have serious issues about using taxpayers' money in a way that is not going to be efficient. I think I am tempted to support this proposition but if I do it must only be as a transitional arrangement. I do not want to be throwing money out of the window. It needs to be targeted and it needs to be used effectively. So, I do not know how I am going to vote at this point but what I am saying is that we do need to encourage more people to do the right thing. Whether that is seen as too much States intervention, I think we have to get over that because we need to help people to live in their own homes, to heat them and not to waste energy. As my colleague said, we do not live in Siberia. Jersey very rarely gets very cold and in a well-insulated house you do not need to spend much on fuel at all. That has to be better for the individual and it has to be better for the taxpayers.

#### **10.3.6 Deputy K.C. Lewis of St. Saviour:**

I think I am living in a different world to a lot of States Members. A lot of people I know, especially pensioners, are absolutely petrified of that utility bill landing on the hall mat. We have often heard the expression "heat or eat" and that is what a lot of senior citizens are doing at present. Many times I have been in the local minimarket and seen a pensioner grab a bag of rice because they can get 4 meals out of that. This is one thing that they are absolutely petrified of. I have been in a house not so long ago where there was a couple burning painted and tantalised wood, which everyone knows gives off toxic fumes. They are wearing extra layers, they are heating one room, they are not stupid; they are just very, very cold. I will be supporting this proposition.

#### **10.3.7 Deputy A.E. Pryke of Trinity:**

I am pleased to follow Deputy Tadier because I shall be on the same vein. I fully realise and am aware of the cost of fuel and it is important that elderly people are kept warm, but in these times it is important to ask ourselves are there any other ways that we can help these people, are there any other ways rather than money? I think one way, as Senator Cohen mentioned, is the energy grants. When I was Assistant Minister for Planning the energy grants were first discussed and came to fruition with the Energy Trust Board. At that time, and I admit it now, I was very sceptical of how insulating your home would make any difference but I thought I should practice what I preach so I can only talk by experience. I thought if it would reduce my bills then I should make that investment. I am 120 per cent a convert. During this winter, and we are not out of it yet, I have saved over £500 on my fuel bill and on top of that it heats my whole house, and I have not turned down my heating, because I do like it very warm. So, I am 100 per cent a convert, and as Senator Cohen said, there are monies in the Energy Trust and I would like to suggest that the Energy Trust

be asked to be more proactive with this group of people. This proposition is only when the temperature during the winter months drops below a certain temperature but if we can get that group to insulate these homes you are saving fuel all through the months, not just over a certain period, so that must be a very positive step forward. I will not be supporting this proposition.

### **10.3.8 Deputy J.A. Martin:**

When I heard that Deputy Duhamel was not supporting the amendment I immediately said to him: “But you will not be supporting the proposition, will you?” and he said: “Of course not” because Deputy Duhamel is very green, like the Deputy of St. Mary, and I understand where they are coming from. But green, the environment and everything else and maybe not throwing money at everything ... it is very interesting to hear from the Deputy of Trinity because I live in a States house that is fully insulated, outside, roof, double-glazed, and my heating bill went up £400 so I may be subsidising Trinity somewhere. **[Laughter]** So, I am very annoyed and I have told the gas man this and I asked him to come round and check the meter because, as I have told Deputy Duhamel, I have turned the gas off from outside and yes, my children are running around with blankets over their heads (but they are 16 and 17) in the cold, and my daughter tells me she can see smoke coming out of her mouth. Well, it is not actually smoke, but it is that cold in the house sometimes. But I do not care, she is 16/17, she can get away with it. This whole thing about where Senator Le Gresley is trying to target, is the people just where we found a space for the G.S.T refund but do not forget, I think it was Senator Le Gresley who brought the amendment and it was in the Business Plan that Social Security wanted to do away with the G.S.T. refund all together because they did not think those people needed that. Then we get comments, I mean I read with despair, I keep it in my desk, the Strategic Plan; the more inclusive, providing for the ageing population, better opportunities for independent living for the old, including support in the community, people in their homes, all this I absolutely read with despair because you get Senator Shenton coming out and saying you are better living ... half of that money these people do not see is a credit for housing, it is an absolute credit, and if anyone thinks there is £20 million going around the pot that Deputy Green would be able to stamp his foot and get, it does not exist. It is a credit. It has always been an account 15:41:53 (inaudible) and these people ... Senator Shenton obviously forwarded it to everyone and I can see where Deputy Maçon is coming from. There is anger out there: “I am giving up my job, Jack. I am leaving the wife. I am going to go and sit on my jacks and I am not going to earn any money either and I will get £26,000 a year.” Absolutely ridiculous, absolutely ridiculous. Senator Ferguson has already said that we are encouraging a stay-at-home, do no work, scroungers society. I do not think she used the word “scrounger” but intimated the word. So, are these people in need? I listened to the Minister for Planning and Environment and it is a very small proportion. It is if you are on Westfield or income support you can get the insulation free. How many times and how many people do you know, like Deputy Tadier’s parents, who have managed to save and buy and own their own home, and they are not entitled to any help. So, the people you really need to help are out of the loop, even out of the loop for insulation. If you read the proposition from Senator Le Gresley, we had a brief rule when we introduced the Winter Fuel Allowance, and do not forget it only happens when it gets very cold, it is not every month and not every year, it is only when it gets very cold, and we had Social Security came back with a scheme that was for income support. We allowed that. This proposition allows that. It asks them to come back with a scheme. In one of the comments, there are so many comments on this I cannot even remember which one, that maybe a pensioner flat might not need as big a fuel rebate as a 3-bedroom house with children. I totally agree with that. It is not rocket science for them to say: “Well, this is what you will need. This is what your fuel bill will be. Obviously it is cold.” And again it goes with what Deputy Green was saying, 80 per cent. I would not agree with 80 per cent, he has probably been told by the department, more than 70 per cent. If you have airtight windows and are insulated you will be a lot better off and we are not helping those people either. We are putting barriers in the way. So, I did like the Minister for Planning and the Environment that he is going to give much more help. Is he going to get up in the loft and do

anything? No, nor are many other people. There are always times around just before an election when you think to yourself: “Do I really want to do this job anymore?” If not Deputy Duhamel and I could go into partnership and it is going to be called: “Match.com for the over-65s.” I could reduce lone-pensioners houses by half and they may enjoy bathing together. I think it sounds fantastic. I know he is technically minded so he can have the web page up and running tomorrow.

[15:45]

But in an ideal world would we all do that? Would you want to be living alone over 65? But these people have pride, obviously many have been married, they have lost their partner and this is where they live. By the time they reach 65, believe it or not by the time I have reached 50-something, I have some really weird and wonderful ways and so have other people. So, I choose who I live with and at the moment, I would rather live alone. **[Laughter]** I do not know about bathing though, I might try that one out. But anyway, I see where the opposition is coming from. I do agree with Deputy Duhamel and the greens that just throwing money at it ... because as I say, when I found out my gas bill had doubled ... my units had stayed practically the same in the same 90 days. I had turned it off with the key outside so my children cannot turn it on from inside. So, I do agree there but, as I say, they are young, I am younger, and I still have my blankets and I run around, but the elderly, and once you are elderly you have rheumatism and arthritis, your joints do start to ache and in the cold you do feel it a lot more. So, I think there is scope, even with the amendment ... well, especially with the amendment, to accept this. Ask Social Security and Planning and Environment to look at who is entitled to insulation, who is entitled on the size of the house, when it is very cold, to the cold-weather payment. So I think at this moment I will be supporting the proposition.

### **10.3.9 Deputy G.P. Southern:**

I would just like to return to the analysis given to us by Senator Le Gresley and, as I think Deputy Le Claire said before, it is a very clear analysis and definitely points out the need. I just want to return to those figures because I have just picked up the Income Distribution Survey 2009/2010 where it says on page 21 that: “Of those households in relative low income a quarter almost are single pensioners and 12 per cent, one in 8, of the people in relative low income are pensioner couples.” That is significant numbers of pensioner couples in relatively poor households with low income and if one looks at that the other way round, what proportion of pensioners are poor, one finds almost half of single pensioners are in that bracket in the poorest among our community and a quarter of pensioner couples. So, the case that pensioners are a special case because, yes, they are to be found, by and large significant proportions of them are low income. Many of those will be on income support to prop up their income but some of them will be in this band, above income support, below income tax, and that is what we are targeting. Just to remind us, those significant numbers with relatively low incomes, and yet in his comments the Minister for Social Security says: “But hang on, on figure 12.2 in the social survey only 9 per cent of pensioners, lower than any other family type, complain that it is quite difficult or very difficult to make ends meet.” You might wonder why that should be, and you might think about pensioners, relatives, your own parents perhaps, and the way they treat the difficulties of existing and what do you find? Think about it. You find that the older you get the less you complain. “Oh, I get by. How are things for you? How are you coping financially?” I remember when I was doing the income support survey and we were talking to an elderly couple and the initial reaction was: “Oh, I get by. It is not as bad as ...?” or even: “I remember the war, it was worse then.” That is the sort of reaction and you have to wait and probe a little and keep the conversation going before you find out what it is really like, and that is when you get to the point of saying: “Well, can you heat your home?” “Oh, only one room.” Yes, that is what you do, if things get difficult you live in one room. That is what you do. You do not complain about it, so the survey says relatively low numbers of pensioners saying it is difficult to make ends meet, we are not poor, but nonetheless I think the reason for that is by and large those generations do not moan about it. They put up with it. They get by. That is the answer to the low numbers there. There can be no doubt that this is a move that we ought to make. The

only worry I have, which I stated on the amendment, which was that this says “endeavour”, and is therefore a very weak amendment, and that the message of the report attached to it is one which is very negative about income support and its large budget. I fear, and I keep indicated to the Minister for Social Security and he keeps trying to ignore me, that I suspect that when push comes to shove they will be knocking on his door: “You rearrange your budget and take a squeeze wherever you can to get this money to attach, because the States have told us to spend this money here.” That, in my book, would be the worst possible world to be living in. If we are coming back to Social Security and making a squeeze there and saying: “Rearrange your budget, it is big enough, take it off somebody else.” We have already seen it. If the recovery does not occur, the Minister has told us he will, to get his cuts, be looking at specific groups to target. This is just another pressure that might be coming his way to target specific other groups in order to hand this benefit to the pensioners in that particular bracket. If that happens, well I think (a) he has a serious problem, not just in redefining his budget, but with me and (b) we are not living in a very generous ... So I just hope, I just hope, that that is not the outcome of the amended proposition as it stands now. But I fear, I very much fear, that it might be.

### **10.3.10 The Deputy of St. Mary:**

I take the view that in the short term we probably have to go here on the grounds that there are people suffering from cold in their own homes. But the other imperative is that we need to use money wisely. It bothers me, as it bothered Deputy Duhamel, that this is in effect a subsidy for energy consumption. That of course always brings problems, because you have the problem of peak oil and you have the problem of climate change. You cannot wish them away. So those are the 2 imperatives, to stop people suffering from cold and yet to use money wisely and not to subsidise energy consumption. We have to square those 2 somehow. I think what has been missing, and what I want to add to this debate, is an appeal to the Council of Ministers to look at this issue in the round. We are discussing a 300,000 increase in a particular benefit to a particular group of people and somehow we have not got a clear roadmap forward. In the comments of the Council of Ministers, we have basically: “Do it later. The 2012 Business Plan would be a more appropriate time to consider this alongside all other proposals.” I do not have much faith, I am afraid, but I am going to ask Ministers, and maybe some will reply or respond to this debate, how they are going to arrive at a joined up approach on the issue of energy and fuel poverty and people being cold in their own homes and the Energy Efficiency Scheme. It is all joined up. I do not get the feeling that it is being driven by a real commitment. A case in point is that we have been promised an annual report on the implications of peak oil and climate change as part of the Annual Environment Report. We have not seen this Annual Environment Report with its annex on the implications of peak oil and climate change for our society and where it would drive policy. Here we are debating an issue which is slap bang in the middle of those 2 concerns and, as I say, no annual report and no report on peak oil and climate change and its implications. So some possible implications, social security, possibly there is a source of funding there whereby you trade off insulation against the payments you make. So obviously there is a saving. As Deputy Tadier pointed out, he lived in a well insulated flat in St. Helier and his fuel bills were virtually zero. I know people who live in areas where they have really cold winters, in Germany, and their fuel bills are virtually zero. So there is a benefit here. Maybe we can play off the funding for a scheme like this against insulation and make the thing work better. So that is one possible area. Another is a thing mentioned by Deputy Le Claire yesterday in the elections for the Minister for Housing and he asked both of them about co-operative housing. Now, co-operative housing is another way of securing energy gains, because people share things like eating together. Deputy Duhamel mentioned that. If 10 people eat in one room, that is a huge saving in energy, day on day, month by month. Okay, it is not for everybody, but the point is that it is an available policy and, as far as I know, there are no cluster housing units in Jersey for young single people. There are no co-operative housing ventures and we should possibly look at that, or the Council of Ministers should. You can have policies, Deputy Duhamel mentioned this, but I am going to expand on it, about

elderly people being encouraged to take lodgers. Now, I saw a photo many years ago, 10 years ago at least, in a German magazine - it was a very touching photo - of this young man walking along next to this old lady and he was carrying the shopping and the caption explained that he had been taken in by her as a lodger on a scheme that was supported by either the local authority of the Government - I am not quite sure which as it was a long time ago - but the point is that that had been enabled and encouraged. But I have read that one of the conditions on the housing for the over 55s in St. Mary, and I have read quite a lot about that scheme in St. Mary and I think it was true of the other schemes, is that the elderly do not take in lodgers. That was one of the conditions on that housing. So we are building in the conditions against the way that perhaps we should be encouraging things to go, because as Deputy Duhamel rightly pointed out, if you are heating a house for 2 people that is half the energy roughly of heating 2 houses for 2 people living alone. I am just pointing out those options to say this needs a real combined look. The reason it needs a combined look is that this problem is not going to get smaller, it is going to get bigger; 315,000 this year and a lot more in years to come. Despite what Senator Ferguson said, the fact is that energy prices have risen in the last 5 years. I think we read 79 per cent electricity prices, 44 per cent in gas. Those prices may blip downwards, but they are on an upward trend and they will go on trending upwards. The idea that there is lots of oil in the sea off Brazil is true, but the point is it is still there because it is hard to get at and it will be expensive to extract and it will be dangerous to extract. I will not enlarge on that point. But I await with interest the commitments, specifically of the Minister for Planning and Environment to produce this annual report on the environment with its annex on peak oil and climate change and its implications for government policy. I beg the Council of Ministers to respond to what I have said in some way, that they are going to tackle this overall issue of which this proposition is one part. Thank you.

#### **10.3.11 Connétable P.F.M. Hanning of St. Saviour:**

A lot of what I was thinking was necessary to say has already been said. But it is a difficult decision we are making this afternoon. Are there people finding financial difficulty with their heating? Yes, there are. Is it better for society as a whole to improve the insulation and cut the heating bills? Yes, it is.

[16:00]

We need to do both. This, at the moment, probably is not possible. Perhaps the best solution is to go for Senator Le Gresley's proposition and hope for a lot of global warming and then we do not have to pay out. Seriously, better insulation is needed. It is the long term solution. It is what we have to do. But at the moment there are people that are hurting and they need to have some extra help. I think I am going to support Senator Le Gresley's proposition on this, but I really do not like doing it, because I think where we have to put our money is into insulation.

#### **10.3.12 Senator F.E. Cohen:**

I will start where I tried to start during the debate on the amendment. I am sorry I strayed. States Members displayed huge foresight in proving the £1 million a year for the Energy Grant Scheme. This has been an incredibly successful scheme. It is chaired by Sir Nigel Broomfield and Andrea Cook and they deliver a wonderful turnkey service that goes into the home and provides insulation and other positive energy saving measures with no mess, there is no bill to pay, the contractors are all approved, it is an entirely safe system and it saves in excess of 20 per cent on annual energy bills. The problem we have is that we have identified in the target group 3,000 Island families who can benefit from the scheme. So far we have only been able to encourage 1,000 families to take advantage of the service. It is a remarkable figure that we have improved the homes and lives of 1,000 families, but there are still 2,000 to go. I think a large reason for that is that many of those who are in our target group distrust government and are afraid to engage with government for a variety of different reasons. We need to get over that barrier and encourage them and enable them to understand that there are no strings attached to this scheme and it really is a wonderful scheme. I

know Senator Ferguson has particular views on carbon reduction, but it does achieve carbon reduction but, more importantly than anything, it achieves a huge increase in the standard and comfort of those who live in the houses we improve. However, we, as I have said, are not achieving success with every family. I wish we were. Until we do so, and I am more than happy to extend the target groups in partnership with the Minister for Social Security, but until we do we do need to address the issue of how we help those most vulnerable in our society. I am afraid that for a period of time it may be necessary to provide one-off payments to help individuals, particularly in the coldest periods. I am afraid that my conclusion is, rather like the Constable of St. Saviour's, that until we have insulated all low income families and all the target group that we should consider, at least in some part, making one-off payments. If this proposition succeeds or if the proposition fails from the Energy Savings Grant funding, I will certainly be prepared to look at helping out in terms of payments, where indeed it is appropriate. Thank you.

#### **10.3.13 Senator B.E. Shenton:**

I will be fairly brief, because I think we have had some fairly comprehensive speeches. I think we need to really put this into context. According to the figures in Senator Le Gresley's proposition the cost will be about £315,000. It may be higher than that. But we pay civil servants individually more than that. We pay the Chief Executive of W.E.B. (Waterfront Enterprise Board) more than that. Yet this sum will help well over a 1,000 pensioners meet their heating costs for the next winter, especially if it is a harsh winter. This is where we have to get the balance between social responsibility and the business sense of an accountant. I believe that this is the right thing to do. To begrudge help to people earning up to £14,270, I think, sends out the wrong signal, especially at a time when we are seeing more and more inflated salaries going towards senior civil servants. I think that the Assembly should support this and I think it would be wrong of the Assembly not to support it.

#### **10.3.14 Deputy A.E. Jeune:**

Deputy Lewis says that old people are thinking: "Heat or eat?" To me that is scaremongering. Our resident old people will not find themselves without money for food. We have an income support system, which the proposer of this proposition has already outlined. Deputy Martin has said, and quite correctly, our old people do have pride. If resident old people are poor then we do have, as I have said, income support. It is my understanding that in the U.K. they are moving towards withdrawing their winter heating allowances, along with other allowances. These are difficult times. You do not go spending even more money. We realise a lot of our old people do not have a lot of income and therefore do not pay tax. But they, as we have said earlier, are very proud and for years they have saved just to have the extra when they knew they would only have pensions coming in. What also worries me is that the Senator has brought this proposition and I wonder is he courting favour with our elderly, in particular those who do not have big incomes but have savings, as I have said? The Senator brought in an amendment to the 2011 budget, which has a very direct impact on these very people. That amendment means that at Christmas this year their Christmas bonus will be reduced for each of them by £19. This saving, by not giving them that £19, is going to go to people under the age of 65 who are on Invalidity Benefit, 100 per cent L.T.I.A. (Long Term Incapacity Allowance), those receiving Carers Allowance, the deliverers of care, and Survivors Allowance. Now those on 100 per cent L.T.I.A. may also be getting personal care components. These people were not, necessarily, as much in need as our old people who are going to be at a loss. I cannot support this proposition. Thank you.

#### **10.3.15 Deputy D.J. De Sousa:**

I am really pleased to be following the last speaker. In the J.A.S.S. (Jersey Annual Social Survey) Report 2010 one of the questions was: "Has your household gone without the following because of a shortage of money over the last 12 months?" Cooked main meal every day, 5 per cent overall, that is one in 20, said that they went without a cooked meal; eating fresh meat or chicken every

second day, 6 per cent; fresh fruit, again 5 per cent; fresh vegetables, again 5 per cent. People do have to think about where their money is going and if they have to make a decision between heating and eating they make that decision. As other speakers have said, our elderly population are very proud, they have been through many hard and difficult times and they are less likely than the young to complain and say: "I am sorry, I do not have enough. I want more." I will be supporting this proposition and I hope the Assembly will get behind it.

### **10.3.16 Deputy I.J. Gorst:**

Firstly, I want to say that I recognise that this is quite a difficult area. A number of speakers have spoken about the increasing costs of fuel and that cannot be in any doubt whatsoever. There are members of our community who are finding it difficult to meet those increased costs. We have seen some quite large rises in the cost of domestic energy. I wish to acknowledge that and I believe that the Council of Ministers acknowledges that. Perhaps my preferred solution would have been, and this is something obviously the Council of Ministers did not accept, that we should not have had G.S.T. on domestic energy. I am a believer if we can keep people out of the benefit system then that is better. If we can create the conditions where they do not need a benefit then that is better than us having to create benefits for the side effects of those conditions that the economy is encountering. That would have been my preferred solution to those difficulties. I will address why it is that I do not believe that this is an appropriate solution and I do not believe that it is something that the Assembly should be asking me, as Minister, or Council of Ministers to be doing. What the proposer is asking the Council of Ministers or myself to do is, in effect, create a new benefit for those members of our community who do not qualify for income support. A number of Members will have their opinion about whether income support is too generous or too little. That, perhaps, is a debate for another day. It is not something that I believe that we should be basing this decision on, but having said that what we are asking is that we go away and create a new benefit for those that do not qualify for income support. We are potentially saying that that means tested benefit needs to be greater. I would challenge those Members who are saying that income support is already too generous and yet, by the same token, are suggesting that we should have a higher income threshold, and we should say that those who have more income than they are eligible for income support should also get this extra benefit. I am not certain that they have thought that through. Secondly, I would say that this Assembly has approved a Business Plan for this year and indicative figures for the next 2 years which say that my department, and I, as Minister, will have to come forward shortly this year looking for savings over those 2 years, that is not including 2011, of £4 million. As Deputy Southern quite rightly said, I am hoping that the majority of those savings can be achieved through an improvement in the economy and an increasing number of people working, and their income therefore increasing and requiring less income support. We must remember, of course, that income support is an in-work benefit and it is right and proper that those who are working on low incomes also receive income support. I am hoping that that is the case. We are putting a lot of money into stimulating the economy and we will be putting even more money into stimulating skills and getting people into an appropriate position to take up those jobs when the economy starts an upside.

[16:15]

If that does not happen, I have still and the States have still tasked me with making savings, so the department would be in a position where the States today would be asking Council of Ministers to come forward with a benefit for those who have greater income than those on income support. Let us for argument sake say at this point it is somewhere between £300,000 and £600,000, although I will come back to that. Yet at the same time I would be coming forward, looking for savings for those individuals with already a lower income that do not qualify, who qualify for income support, and I would be looking to cut those benefits. I am not sure that that is something that this Assembly really would want me to do. I think it would place the Assembly in a very difficult position when it comes back to consider the Business Plan later in the year. Perhaps I would ask



Deputy Southern to heed his own warnings and other Members to heed those as well, because I am not sure it is a place that we really should be going to. Perhaps I could address one or 2 points that I have raised in my comments. Firstly, the mover of this proposition spoke quite a lot about fuel poverty. If one is to read his report he is quite open in his report to say that the Statistics Unit do not have the figures for fuel poverty in Jersey. It is something called the fuel poverty ratio and it is calculated upon numbers that governments normally collate. He is right to say that perhaps there is an indication of what those might be from the Income Distribution Survey, but I want Members to be clear that he quite clearly says, and the Statistics Unit says, we do not have the information as we currently stand to calculate those correctly calculated fuel poverty ratios. So we must be careful about that. Deputy Southern also highlighted the points that I raised in my first comments regarding the J.A.S.S. Survey and said that those results were subjective, in effect. He is absolutely right. The J.A.S.S. Survey is more subjective. The Income Distribution Survey is done in an independent fashion. The numbers are cross-checked by the Independent Statistics Unit. But the J.A.S.S. Survey is really asking people: "Okay, we know what money the Income Distribution Survey says. We know now what money you have in your pocket. We know now what money you have to live on. How do you feel about that? How do you spend it? Do you feel like you have enough money to live in this particular way? Do you feel like you have enough money for clothes? Do you feel like you have enough money for heating?" So inevitably it is subjective. But I would remind the Deputy that he, I believe very shortly, is going to come forward with a Scrutiny Review and he undertook a self-selective subjective piece of research and that will be perhaps the basis for his report later this year. At least with the J.A.S.S. Survey they were not self-selecting and they were independently selected and it was undertaken under the auspices, again, of the Independent Statistics Unit. So while there is that element of subjectivity, it was not self-selecting and it was done in an appropriately independent way. Some of the figures are now going to lead up to go forward and look at the benefits that we provide as a community and those decisions about how those benefits are going to look going forward will be decisions for this Assembly. The department encouraged the Statistics Unit to do the Income Distribution Survey and was involved in that. The department put forward the questions in the Jersey Annual Social Survey, so that we could ... Deputy Southern says he was involved in that in Scrutiny and he is quite right, he was, but it was the department that had initially requested that those questions be put forward. As I have said, Deputy Southern himself, as part of Scrutiny, went forward and asked self-selecting members of the community similar questions to that. So all the pieces of information are now giving us more information about the benefits that we offer as a community, they are giving us more information about the disposable income that members of our community have and they are giving us more information about what low income looks like in our community and allowing us then to go forward and address the issues that will arise from that. Senator Le Gresley quite rightly said that we had done some initial estimates about the number of people that we thought were going to be entitled to G.S.T. bonus. It is only through undertaking these extra pieces of research, that we now have, that we see that the uptake really is nothing like what we would want or nothing like we would expect. So, if we are to approve this benefit today, we have to understand that Senator Le Gresley is quite right, that is only technically a third of the people who could take up this new benefit. We are already going to have to deal with the fact that there are another two-thirds of individuals that are entitled to the G.S.T. bonus. We did not know that until we had had these pieces of research carried out. Now we do. Now we have a job of work to do to encourage those people, because we have moved to an entitlement culture and that is absolutely right. We have to get away from people feeling perhaps that they are not worthy or that they really do not want to get the benefit. The whole point of moving our benefit system was that we, as a community, decided the circumstances that we felt that someone should be entitled to support and that is set down in law and that is absolutely right. This Assembly comes and makes changes to that in the light of the information that it receives. So it is a process and we are moving through that process.

**Deputy P.V.F. Le Claire:**

Sir, may I ask the speaker a question of clarification, if he could give way?

**Deputy I.J. Gorst:**

I can, Sir. I am trying to cut down my speech as it is, but inevitably ...

**Deputy P.V.F. Le Claire:**

I wonder if the Minister can tell us, having identified that 2,000 people are not receiving something that they are entitled to, what he is going to do about informing them that they are entitled to that money. Is he going to be proactive and knock on their doors or send them letter?

**Deputy I.J. Gorst:**

It is somewhat surprising that the take-up has been as low as it has been, because we do advertise that particular benefit in the *Jersey Evening Post* every year. It is a full page advert. It is relatively easy to claim compared to other benefits. So we are going to now do a job of work to make sure that people are aware of it. It is debates like that that also, we hope, will make people more aware of it.

**Deputy P.V.F. Le Claire:**

Not everyone buys the *J.E.P. (Jersey Evening Post)*. We could mail them a letter.

**Deputy I.J. Gorst:**

The difficulty, of course, is that we do not have a database of who these individuals are, because they are neither in receipt of income support nor are they paying tax. So, nor does the Tax Department necessarily have a database of who they are. So we need to keep talking about it. I am not sure about the Deputy, but when people come to me and say that they are struggling, I ask them in a relatively quick way: "Are you on income support?" "No." "Okay. Well, do you pay tax?" "No." "Have you applied for the G.S.T. bonus? You are entitled to that. It is £150 a year." We have a responsibility, I would say, as States Members as well, to make sure that people and our constituents are aware of benefits to which they are entitled. The other thing that I would say about this particular area is that my Assistant Minister and I are cognisant of the difficulties that pensioners in our community can face. That is one of the reasons why we have increased the pension disregard with income support twice within the last 2 years. What that means is that those who are literally just above the level to be entitled to income support, we are pulling them in. We are saying: "Okay, we recognise that it is difficult for you. We are going to disregard more of your other pension income, which means you can have a top-up from income support." At the same time, we have increased the savings disregard for pensioners, which means that we will say: "Oh, you can have saved even more before we are going to take that into consideration for income support." There is always more, in that respect, that we can do, but again we are limited what our budget is. But we target it in what we believe is the most effective manner. We have taken conscious decisions to target that income support up-rating to pensioners - and I will come on to this as well - and to the work disregards. I would also say ... it is where we get, perhaps, to a slightly more difficult area, that our winter fuel payments are slightly more generous with regard to cold weather than they would be in the United Kingdom. If we had the United Kingdom system in Jersey, it would not have been triggered, as I understand it, throughout December of last year, because we have warmer temperatures. So we have a slightly more generous system anyway. It has been triggered for the last number of months in Jersey through our system. As I say, had we had the United Kingdom system it would not have been triggered at all, because we have had warmer climate. There are other pieces of research about ... and other Members have spoken about what is the best way to deal with those individuals in our community who are more vulnerable, who are struggling to meet these fuel costs and perhaps are struggling to keep themselves warm. Other Members, more professionally equipped to talk about insulation have spoken about that, but I would just reiterate what they have said, because the research does say that the difficulties for older people and feeling cold and then becoming ill and then ultimately passing away are to do with

changes in temperature, not necessarily internal temperatures within a house. The N.H.S. (National Health System) in Wirral in the United Kingdom have undertaken some very interesting research into what we call excess winter deaths, which is an issue, which communities should be cognisant of and should want to address. But they are longer term solutions that we need as a community to be considering. We know from that research that, as much as Deputy Martin might not want to share accommodation with another, we know from that research that older female pensioners living alone are the most vulnerable to that. They are the most vulnerable because of the changes in temperature between the house and the outside. They are more likely to suffer from the winter excess death syndrome. So these are issues that we do need to address and I need to be addressing with the Planning and Environment Department. There are also some radical suggestions that we should be considering and in the United Kingdom they are talking about ... the reason I quote the United Kingdom is because we do not have the figures or we do not have the research in Jersey around this particular area, but we need to be thinking about heating bus shelters. It seems strange, but it is quite a sensible thing, because what happens is if people are leaving their home from a relatively stable temperature, then going outside, it is the fluctuation in temperatures, which causes the health issues and ultimately leads to difficulties. But I will stop my radical approach there. But it also says that we should be insulating homes and we are starting to do that. I congratulate the Minister for Planning and Environment in his project there. I have to say, however, that if this amendment is approved then I for one believe that the appropriate place for that money to come from would be from those Energy Efficiency Grants, because it is a very similar field. I believe that that would be a very short term measure for this Assembly to take to reduce that. I recognise that it is now getting late in the day. I have droned on quite a bit. I did want to just say a couple of things about income support, because while you generously let me speak on it earlier, I feel I should say a couple of things. Senator Ferguson looked at my example 2 and said that they were the same amounts. Those 2 families, the one who is earning the most money and least reliant on income support is £15,000 a year better off. So I do not think that she can say it is exactly the same amount. Again, my Assistant Minister and I increased the work disregards - which means work pays; people are better off working - twice during the last 2 years and will be coming forward with increases in that regard again. I am proposing that the money that this Assembly voted for me in the last Business Plan around G.S.T. increase ... I am proposing that most of that will go into work disregards. So, I ask Members to be prepared for some difficult decisions that they will have to make around how we administer benefits in this community. Senator Shenton then in his report made a couple of swipes, if I might use that terminology, again at lone parents and he says that ... I am not sure whether he entirely suggests that we should not be helping them. I am not sure that that is what he was saying. I think he was really saying that the benefit levels themselves should be looked at and perhaps we should be considering reducing those. I would say that those component levels are approved by this Assembly. I bring proposals forward, but this Assembly approves them. The last 2 times I have done that there was overwhelming support for the increasing of those component levels. I just remind Members about that. The other issue that he raised was around partners.

[16:30]

It is quite easy for someone to say that they are going to make decisions about their relationship because of monetary issues. I would hope that that is not the case and that we make decisions around our lives and around our families for more wholesome reasons than for just about financial reasons. The reverse is that if we are saying that we are not going to look at the household's income as one way of delivering income support, what we are going to then do is look at ... the reverse would be that we would have to look at an individual's income. That might mean that one partner could be out working and earning £100,000, another partner, they as a family have decided to stay at home and look after their children, not earning. Are we really saying that income support should pick up that bill and pay the partner that stays at home, because we are disregarding the other partner's earnings? While the Senator can make a very easy comment, I am not sure that he

has really thought through the implications of what it is that he is saying. A number of other Members and the Senator himself says that people are seeking a life on benefits. I really would like to reassure you that it is not my intention, nor my Assistant Minister's intention, that people do put themselves in a position where they consider that a life on benefits is a choice that they would want to make. We are putting extra money into helping them find work. Ultimately that will mean that perhaps more people will become failed jobseekers and that means that their benefit will be cut, but we are helping them to make a positive choice to get back into work; all that ties in with the work that we are doing in Skills as well. We have put more people into that area and that means that we will see a change and we will see an improvement. It is something that we are aware of. Perhaps I will leave that there. In conclusion, I really do ask that Members do not put the department or the Council of Ministers in a position whereby my department is having to cut benefits from those on income support by the tune of £4 million over 2 years and yet at the same time creating a new benefit for those who have an income greater than the ability to qualify for income support. I ask Members to consider carefully before they make this decision.

### **10.3.17 Senator T.A. Le Sueur:**

This is a very tempting proposition and more than one speaker said: "How can we begrudge needy pensioners, particularly when they are suffering increased cost of heating?" I agree it is very difficult. That is the danger of looking at this in isolation, which is why in its comments the Council of Ministers draws that to the attention of Ministers and it was raised by the Deputy of St. Mary, because it is very simply at this time of the year on a February day to have a lot of sympathy for anyone suffering from the cold, pensioners and otherwise, and over the next few months, Ministers and States Members are going to face some very difficult decisions. They are going to be faced with the problem over the next couple of years by reducing States spending by £65 million. It is going to mean some difficult prioritisation and re-prioritisation. We have seen for the last couple of years in the Annual Business Plan debates how it is quite difficult to compare one expenditure with another and one reduction in spending with another. But at least in the Business Plan debate we can compare one with another. Here we are not having anything with which to compare. We are looking at it in isolation. In isolation it looks very attractive. But, as the Minister for Social Security said and Deputy Southern hinted, it may mean in solving this problem we create another one or another 2. We could solve it by reducing the money available for energy grants. That would be a very short term negative message, when really we ought to be encouraging the long term reduction in energy consumption. But that is a possibility, which the Assembly may be faced with. It may be faced with a problem of having to reduce benefits to the most in need, the concern of Deputy Southern. Because while these pensioners are needy there are others, on our definition of income support, which are even more in need of help. It is very difficult to say no to a person who is slightly in need of help in order to support someone who is in greater need of help. But those other decisions that we are going to make and come up with another debate in September. So, we are going to be faced then with difficult choices. Today may not seem a difficult choice, but what we are doing, I think, is tying our hand in respect of future choices and making those choices in the Business Plan even more difficult than they already are. I do not argue with Senator Le Gresley's right to bring this proposition, but I do believe that it would be better brought at the time of the Business Plan in conjunction with all the other nasty expenditure proposals that will be discussed at that time rather than in isolation. I think it is dangerous. It is seductive to do it this afternoon in isolation. I urge Members not to take the simple path, but to be realistic and be aware of the bigger problems that lie ahead. Therefore, I suggest to Members that this proposition, however well meaning it is, is dangerous and should not be supported.

### **The Bailiff:**

Does any other Member wish to speak? Senator Ozouf.

### **10.3.18 Senator P.F.C. Ozouf:**

I endorse the comments of the Chief Minister. These emotional debates are always difficult. I have tried to try and understand what the catalyst for this particular debate was and I think that it was a *J.E.P.* report on an individual, the circumstances of which we do not know. That, I think, is always a difficult position to be in. Particularly, I make no criticism of the *J.E.P.*, but it is always wrong in my view to be taking decisions on the basis of emotional headlines. I do understand also that the catalyst for this debate is a general and quite understandable concern about fuel prices, of which I will deal with in a moment. We do forget in these kind of debates that we do have generous and effective welfare systems. We have income support. I cannot help but notice that the United Kingdom is now following the sensible approach in relation to income support with its unified welfare system payment. We have a social security system and O.A.P. (Old Age Pension) pensions, which are already increasing in line with earnings; have done for years and years compared to the United Kingdom and other places. The level and the increasing generosity of them is much better than other places. We also have other benefits that are set out in the Council of Ministers' report, such as the alternative and better targeted way of dealing with T.V. licences; a decision that was made a number of years ago. We forget all this when we are making these, and we are having these, kind of debates. That is why the Chief Minister is correct in what he says that we should be making decisions on financial matters at the same time and assessing different priorities not in individual isolation, as tempting and as good that it makes us feel. I think the best way of dealing with people's real cost issues with fuel is to deal with it at the source and to stop the costs happening by investing in energy efficiency grants. By the way, we also forget when we come to voting, an additional payment, we forget the fact that we have put £1 million every year into energy efficiency. I was grateful for the Minister for Planning and Environment because I learnt something from the report that he submitted on how the energy efficiency grant system is working. I am not close to the issue and I learnt a lot. I encourage Members, if they have not read the report, just to see how effective that energy reduction programme is working. That is where the target needs to be made in terms of reducing energy costs. It is making that money work better that is much more, not only environmentally sound but also financially sound for those households, not only pensioner households, but all households across the Island. We also forget that while I accept that there are issues in relation to not only the particularly sharp winter that we have had, but we also forget what happened with electricity prices. I was surprised with my own electricity bill when I compared it from this year to last year, they had reduced. Electricity prices have been reduced, as far as I am aware, in the last 2 years. Some of the concern that Members have raised have been on electricity prices. I will say that there is something that needs to be examined in relation to other fuel markets. Any Minister can refer a matter to the J.C.R.A. and I do think there are issues in relation to both the gas and the domestic heating oil market, which do need to be reviewed. That is a subject I have been impressed with, seeing the consumer focus of the new Chairman of the J.C.R.A. and new executive member over on the Channel Islands. I think that they need to look at the fuel costs market in terms of gas and oil because I think there are issues, I think there are rising margins in domestic heating oil and there are questions that need to be asked in relation to gas prices. Also, another issue that has not been mentioned once in this debate is the fact that the Council of Ministers is looking at an overall energy policy and energy sustainability in the longer term. There are decisions for this Assembly to take about energy in the future and which markets are going to be focused on and how we are going to deal with the inevitable changing energy markets in the longer term. So, I think the right decision is to support Planning and Environment, working with Social Security in stopping the problem at its source in terms of people's energy costs, in terms of the amount of energy that they are using and the cost. It is something that I am going to talk to the Minister for Economic Development about in terms of a referral of the energy market to the J.C.R.A. I think we have looked at electricity. That has been looked at in some considerable detail when Senator Breckon brought it, but there are other ... and I see he is nodding. There is a Consumer Council issue there. I cannot help thinking that this is one of these debates that we have in isolation and that we regret in the longer term. I am going to mention the Disability Transport Allowance debate. Not many Members, I think ... I am not sure whether Deputy Martin

and I and Senator Le Sueur were here for that debate, but I think that that was a debate that happened ... it was an emotional debate, we made it, and then we realised that we made a mistake. So, I think that this Assembly, if it had ever debated the issue of free prescriptions, would have had an emotional debate. It never did, but we made a decision, or a decision was made, and I am sorry, I am going to criticise a good political friend of mine, but I think the free prescriptions was a mistake. **[Approbation]** I think that these decisions in isolation about a fuel payment is the wrong way of approaching things. I want a lot more evidence that spending £315,000 on reducing the cost of energy for people over the age of 65, not in relation to ... that do not receive income support; it needs a lot more analysis. I think that it needs a lot more work in terms of whether or not this is the right target for £300,000 of public money. The right time to have these debates is at the Business Plan, when we can assess all of the different priorities. So, I urge Members, as tempting as it is, to hold over this decision pending more work in terms of energy efficiency, analysis of the fuel market, and to see whether or not this is the right target rather than tying the hands of the Council of Ministers at this stage on something that I am afraid to say is sourced on ... and Senator Le Gresley can come back in his concluding remarks as to what the catalyst really was. If this is about responding to headlines in the *J.E.P.* without evidence then I think that that is a bad way of making decisions. We need a lot more information. We need a lot more evidence before we can make the decision of £300,000 of taxpayer's money.

**The Bailiff:**

Does any other Member wish to speak?

**10.3.19 The Deputy of St. John:**

I listened with interest to the Minister for Treasury's comments.

[16:45]

If Members wish to look at the reply to question 1 yesterday in written questions, Members will see that something in the region of £10 million is spent on agency staff, self-employed contract staff and the like annually by this Island of which you and I generally do not have any say. It is just happening. We see the headlines in the paper tonight of £300,000-odd paid to one officer, probably considerably more than what you earn, Sir. I should not bring you into the debate **[Laughter]** but probably considerably more. Really, we are talking about helping people at the bottom end of the scale. The bottom end of the scale. It is all well and good how the Chief Minister mentions the ... when we should debate these things at the time of the Business Plan and the like and the Minister for Treasury telling us when these things have to be debated, but we are not consulted on these things, these other items. We have to find out by doing our scrutiny ourselves and asking the right questions and then we find out after a month - it took a month to get this information from the Chief Minister's Office - of how much we are paying out. Senator Le Gresley, he has had a background at being at the coalface for many years. I believe he has got the information, that he has done his research, because he has been there. It is all about the search. I believe the Senator has done his work. As I have said in a speech in another debate in the last couple of days that if we are signing up to a Business Plan I do not believe we should. The Ministers themselves should have their Business Plan and they should stand or fall by it. Not allow us to bring amendments, then we all have to adopt a Business Plan because we have brought amendments. It should just be laid and therefore we would know full well if it is adopted that that is the Minister's Business Plan and therefore if we are not happy then the entire Ministry should fall and we would go for a redistribution of power, for want of a better word. It gets in my gullet when I hear the Minister for Treasury and the Chief Minister referring us to the way we should spend the money when we get these kinds of figures given to us. After a lot of research of making sure we ask the right questions it is a matter for more open government and then, possibly, we would not have to bring propositions and be accused of not waiting for the Business Plan. I am supporting this proposition because I believe the Senator has done his work and I sincerely hope other Members will also. If

we can find £10 million a year for the *ad hoc* bits and pieces, all these people we are having to employ just to keep the numbers down when it comes to statistics within departments of how many States employees we have and the like, then I believe we can find the £300,000, or whatever the figure that is going to be required will be. Thank you.

### **10.3.20 Connétable A.S. Crowcroft of St. Helier:**

Just a few words because I feel I was in danger of being seduced. The Chief Minister said we should not be seduced in this debate and I was in danger of being seduced by the Minister for Treasury's speech, which was very rational and very sensible. Indeed, the Minister for Employment and Social Security's speech was also seductive, even if it did, to use his own word, drone on a bit, because he talked about creating a new benefit. That clearly concerns some of us. Although, I was curious because we already have the G.S.T. food costs bonus, which clearly this is very much of the same ilk. What Senator Le Gresley is proposing is that we say that if somebody is not on income support but still qualifies for the G.S.T. costs bonus, surely they probably also qualify for assistance with their heating bills. I think it is a very commonsense view and it is one that I certainly have brought into this debate. I think the Council of Ministers need to remember that they have been ... well, perhaps not enthusiastically, but certainly successfully espousing a rise in G.S.T. to 5 per cent; that is going to push up the fuel bills. All attempts so far, some of them perhaps misdirected, to take G.S.T. back to 3 per cent, where it belongs, in my view, or to remove it from food and fuel have failed. So, I think there are a lot of people who do not fall into the net of income support. Certainly in St. Helier there are a lot of people because we have retained staff in the parish to add that extra level of protection for people who are not being dealt with by Social Security but do need assistance from the parish. They are still out there. I believe that is a very good justification to me to support this proposition without feeling that I have been seduced by one side or the other. Thank you.

### **The Bailiff:**

Does any other Member wish to speak? Very well, then I call upon Senator Le Gresley to reply.

### **10.3.21 Senator F. du H. Le Gresley:**

I thank everybody who has spoken in the debate and as much as I have been criticised perhaps for bringing this proposition outside of the Business Plan process I think there is a lot of value in having what has been a very controlled debate, not too emotional in my opinion, but we have talked about something that needs to be addressed in Jersey and something that will hopefully, even should I lose this proposition, be considered by the Minister for Social Security when he does his review of income support and also by the Minister for Planning and Environment. So, I believe there has been a lot of positive things that will come out of this debate, win or lose. I do not propose to go through everybody's comments because most people, and I am very grateful to most people, have stayed in the Chamber and listened to this debate, which I am very encouraged by. I will obviously just pick at random a few comments. Senator Ferguson is quite right that the £300,000, slightly less than that, that I have identified as a possible cost, if everybody who is claiming the G.S.T. bonus who is a pensioner, potentially it could treble. I mean, we have been told that 979 are currently claiming the G.S.T. bonus who are pensioners and after work done between Social Security and income tax they have identified about 3,000 pensioner households who could be claiming the G.S.T. bonus who currently do not pay income tax. So, that is the big picture that we are looking at; I fully accept that. That will of course rise in the years ahead with an ageing population. I do not dispute that, but at the moment we have strong evidence that only a third of the current people who are entitled to G.S.T. food bonus who are pensioners are claiming it. I have been criticised again for not bringing this in the Business Plan by a number of Ministers, the Chief Minister in particular and the Minister for Treasury and Resources. My experience last year of the Business Plan is it is very difficult to bring an amendment and hope to get it approved because we are given the Business Plan and, as the Deputy of St. John said, we should either take it

or leave it. But to try to make a change in the Business Plan is incredibly difficult and if I had have waited until whenever the Business Plan is coming, I believe it is coming earlier this year, it probably would have been too late; I would have been told: "Well, you should have brought this up before because it is too late now; we have already made up our minds what we are doing with Social Security and benefits." So, I do not buy into that argument, I am afraid. Now, Deputy Duhamel, I really was quite amazed that this is the Minister for Environment and he came up with some outrageous suggestions about how elderly people should keep warm. He told us that shivering keeps you warm. Giving more money helps utilities make bigger profits. Well, yes, that is possibly true. Then encouraging older people to take in lodgers; well, I am not sure that elderly people want to have lodgers in their homes and all living together so they can share the body heat. **[Laughter]** I mean, for a Minister for Environment to come up with those suggestions in response to this debate, well, I am sorry ... The other thing, he questioned whether we wanted to keep our homes at 21 degrees centigrade and where did I possibly get that figure from. Well, I have for him the source of the information; it is the Department for Energy and Climate Change in the U.K., so he might want to look at that website. Deputy Tadier was quite correct when he said that this possibly is a transitional stage in respect of where we are going with energy, conservation, insulation, grants, *et cetera*, but there is an immediate need out there for cold weather payments; I have no doubt of that. In fact, if you read through what the Minister for Planning and Environment put in his comments, he said that there are people currently claiming the cold weather payments who have not yet been approached, who are on income support who should, almost as a condition of receiving cold weather payments, have a meeting to discuss home insulation grants because we would be saving money with what we are already paying out if that was a condition of receiving cold weather payments. So, there is a lack of joined-up working between Social Security and Planning and Environment on that one. Deputy Lewis said that many pensioners are petrified of the utility bill landing on their mats. Well, I have to tell you, I am petrified of the utility bill landing on my mat. I mean, the month of December was the coldest month for 80 years in Jersey. Somebody suggested that we have not been as cold as England, but I felt that December was exceptionally cold and the records prove that. The Deputy of Trinity told us that she had saved £500 in installing insulation in her home. Well, that is excellent and I hope she continues to save £500, but then Deputy Martin countered that by saying that despite the fact that she is well insulated in a States home, her bill went up by £400. So, you know, it does depend on your own property, I think, in many cases. I think also that Deputy Martin made a very good point and this is something I think the Minister for Social Security should take into consideration when ... if he comes back, with I hope some changes to the cold weather payments system. Should we be paying out the same money to a pensioner who lives in a flat, a one-bedroom flat, as we do to somebody who lives in a 3-bedroom house? Clearly, that is not right and we should be looking at that. Again, we could be saving some money within the budget for cold weather payments, which might enable us to increase the net, which is what I was hoping to do. Deputy Southern was supportive and, as he is also very good with looking at reports, came up with some more statistics to help support the argument that many single pensioners, I think a quarter, are in the low-income bracket. He is quite right, the older you get the less you complain, although I would not say that applied to everybody. But in general, I think pensioners are less likely to complain, perhaps, than younger people. I want to pass forward to a speech, which I took some umbrage at, from the Assistant Minister for Social Security. I thought the debate had been very gentlemanly and polite until she made allegations that I was trying to court the votes of people who were going to have a reduced Christmas bonus. I thought that was a cheap remark and that is all I am going to say on that. Now, the Minister for Social Security quite rightly defended his budget; I fully understand that. He is keen that if this proposition should be approved that the money comes from the money set aside for the Home Energy Scheme. As I have said before in summing up, there has to be greater liaison between the 2 departments because there are ways of saving the amount we are paying out at the moment.

[17:00]



I realise it is probably time we wound this up. What was confirmed by Deputy Gorst was that the older female pensioners are the most vulnerable. I think among the group of 979 that have been identified, over half of those are single households, pensioner households, and by normal standards a majority of those will probably be female pensioners because they tend to live longer than men. The Chief Minister described my proposition as dangerous, which I find a bit odd, but perhaps he thinks it is dangerous that we are solving a problem to create another one further down the line. It is his opinion; not one that I share. So, I will finally end really with what Senator Ozouf said because he wanted to know whether a picture I saw in the paper was the catalyst for a proposition. Well, really, if he thinks I am that naïve I am sorry, but I saw the picture, yes, and it was a good way to make an introduction in my report, but it certainly was not the reason that I brought this proposition. It is something I am aware of through my work, as some people have commented, at Citizens Advice Bureau. So, no, it was not the report. The Deputy of St. John is supporting the proposition, which I am grateful for. The Constable of St. Helier quite rightly made the point that we are not creating a new benefit here. All we are saying is that the people who are over 65, which is what the rules are for the cold weather payments, if they are not in receipt of income support by qualifying for the G.S.T. bonus, they can receive cold weather payments. We are not creating a new benefit and making a change to the regulations is very straightforward. I could draft the proposition because ... I could draft the change in the law, if you wish, because it is very simple. I would just like to sum up perhaps by saying that going back to where I started with my original speech, this was to be a benefit for all pensioners in Jersey; it was not intended to single out pensioners on income support. Those Constables who spoke at that original debate that I talked about who pointed out that their parishes were helping people who did not qualify for welfare with their winter bills in a cold winter, they were concerned ... those 12 Constables were concerned and I am sure the 12 Constables that sit here today are also concerned that some of their parishioners, elderly parishioners, as the Constable of St. Helier said, are not necessarily getting the help they need from Income Support and Social Security. This is a way of targeting help at low income pensioner households. I have been criticised perhaps for not doing enough research. On the other hand, some people have praised me for the research. Of course, I can only do what I can achieve as a Back-Bencher, but I have to say to you that where were the statistics that we should have had after they were promised, for 12 months after that original proposition, which was amended by Senator Shenton? Have you seen the statistics? Did anybody know that fuel poverty existed in Jersey until I came up with these statistics? Did anybody know that 31 per cent of our pensioners who live in their homes do not qualify for the income support, who do not pay tax, are suffering from fuel poverty? Did anybody know that until I brought this proposition? So, I have researched and I urge Members to support the proposition, thank you, and I ask for the appel, sorry.

### **The Bailiff:**

The appel is asked for then in relation to the proposition of Senator Le Gresley. I invite Members to return to their seats and the Greffier will open the voting.

<b>POUR: 30</b>		<b>CONTRE: 18</b>		<b>ABSTAIN: 0</b>
Senator T.J. Le Main		Senator T.A. Le Sueur		
Senator B.E. Shenton		Senator P.F. Routier		
Senator F.E. Cohen		Senator P.F.C. Ozouf		
Senator A. Breckon		Senator J.L. Perchard		
Senator F. du H. Le Gresley		Senator A.J.H. Maclean		
Connétable of St. Helier		Senator B.I. Le Marquand		
Connétable of Trinity		Connétable of St. Ouen		
Connétable of Grouville		Connétable of St. John		
Connétable of St. Saviour		Connétable of St. Clement		
Connétable of St. Lawrence		Deputy R.C. Duhamel (S)		
Connétable of St. Mary		Deputy J.B. Fox (H)		
Deputy of St. Martin		Deputy of St. Ouen		

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

### **The Bailiff:**

Very well. Now, before coming to the final matter on the Order Paper, Members will have received, I think, 2 statements on Matters of Official Responsibility, when Ministers were given the Records of Notice, so I invite first of all the Minister for Treasury and Resources to make his statement.

### **STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY**

#### **11. Statement by the Minister for Treasury and Resources regarding fiscal stimulus allocations.**

##### **11 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

The purpose of this amendment is to notify Members that I intend to vary the timeframe for fiscal stimulus allocations that were set out in P.55/2009 and to extend the funding of the skills and training programmes for the period October 2011 to August 2012 and after consulting Corporate Affairs Scrutiny Panel grant £2.2 million for this purpose. Members will recall that in 2009, following advice from the Fiscal Policy Panel, the States voted in favour of P.55/2009: Economic Stimulus Plan to allocate £44 million from the stabilisation fund to the consolidated fund to provide funding for the proposed discretionary Economic Stimulus Programme. Since that time the Fiscal Stimulus Steering Group has overseen the programme and ensured that the fiscal stimulus criteria, namely the 3 Ts - temporary, targeted and timely - have been met. While the recovery, particularly in financial services, is becoming evident, we need to continue our action to do everything that we can to support all job seekers, but especially young people in the job market. The Fiscal Stimulus Programme is now nearing conclusion with the vast majority of spend occurring before September 2011. Final work on costings is still underway to establish a definitive figure for the unallocated balance of the States approved funding. Indications are that this will be in the region of £5 million. The programme has been very successful with a package of initiatives, which have provided an extra stimulus to the economy and supported individuals, employment and businesses in Jersey through the downturn. One area that has been particularly successful is the support for individuals through skills and training. An Advance to Work Scheme for 16-19 year olds has provided training in skilled areas while gaining work experience, while Advance to Work Plus focuses on people 20 years and older, helping them to retrain and build both skills and confidence while also gaining work experience. Career Strengthening has focused, redirected and retrained participants in careers where job opportunities are known to exist. Fiscal stimulus has also funded in excess of an extra

100 places at Highlands College in the last 2 academic years. The Advance to Work Scheme has been recognised recently at the National Careers Awards as one of only 2 projects to win a highly commended in the category for working with employees and training in the workplace. Such is the benefit of these schemes that I intend to allocate a proportion of the fiscal stimulus underspend for additional skills and training. Advance to Work, 16-19 year olds for the period September 2011 to August 2012, £732,000; Advance Plus for the 20-plus year-group, £420,100; Career Strengthening, £108,100; and Highlands College additional spaces, £975,000, bringing the total to £2,235,200. The funding of this timeframe period would have fallen outside the criteria for approval of funding by the steering group who advises me. However, I hope Members agree that this is a wise and effective use of these resources, which will continue to drive down unemployment. After this approval a figure of £3 million of the original £44 million Fiscal Stimulus Programme will remain not earmarked for use. I propose to return to the Assembly in the next few weeks to formally close the Fiscal Stimulus Programme to new applications. I have made this decision on the request of the Ministers for Education, Sport and Culture, Social Security and Economic Development and will consult Corporate Affairs before the drawdown is made. **[Approbation]**

**The Bailiff:**

Now, Members have 10 minutes for questioning. Deputy Higgins.

**11.1.1 Deputy M.R. Higgins:**

Could the Minister inform the Assembly whether he has secured the funds for the refurbishment of the Pomme D'Or Farm Estate this year, which I believe was going to be funded partly out of Fiscal Stimulus Programme and also to aid the construction industry?

**Senator P.F.C. Ozouf:**

I have got a proposal for dealing with Pomme D'Or Farm, but in view of the appointment of a new Minister for Housing and obviously the new Minister for Housing is conflicted in the extent to which this is in his constituency, I want to discuss with both him and his new Assistant Minister the process of approval for Pomme D'Or Farm before making any final decisions.

**11.1.2 Deputy M.R. Higgins:**

A supplementary. Can the Minister give me an indication of when we will hear from him after he has had these meetings?

**Senator P.F.C. Ozouf:**

I am going to hopefully discuss it with the Council of Ministers tomorrow and certainly by the next States sitting I hope to have concluded the matter.

**11.1.3 The Deputy of St. John:**

Given that we have still got an underspend ... and I did request the Minister on a number of occasions over the last year/18 months that some of that money should go on main drains extensions **[Members: Oh!]**. We have many areas in the countryside which are still not connected to main drains. Also, we have a number of roads that are in a very sorry state of repair with many potholes. Money needs to be found and if you have got the odd spare million or 2, another X number of miles of resurfacing - and it does not have to be Rolls Royce resurfacing or re-engineering like we had at Victoria Avenue - would he look at resurfacing a number of roads in the Island. Thank you.

**Senator P.F.C. Ozouf:**

The fiscal stimulus underspend is not a self-service buffet for individual pet projects. I would remind the Deputy that there has been a very substantial investment of £6 million in the Island's infrastructure, which I know that he welcomes. There are issues in relation to the Liquid Waste Strategy, which the Minister for Transport and Technical Services and his Assistant Minister and

Treasury are going to be working on. We need sustainable, annual, repetitive funding for his issues in relation to liquid waste and I look forward to dealing with those later on in the year.

**11.1.4 The Deputy of St. John:**

A supplementary. The Minister may have mentioned the £6 million spent on road improvements, but the bulk of that was on Victoria Avenue and re-engineering it. There are many roads around this Island that are highly dangerous. Would he please take note and find funding for that, if not in the stimulus, in the budget later this year.

**Senator P.F.C. Ozouf:**

I note the comments of the Deputy. I know that he cares about infrastructure, roads and drains. I would just remind him that Victoria Avenue, while there is a curve and a kink, which I am not sure I understand, the main substance of the money went to rebuilding Victoria Avenue, which was in a dangerous state and needed urgent repair. I congratulate T.T.S. on having achieved that under budget and getting excellent value for money for that necessary work.

**11.1.5 Senator B.E. Shenton:**

I have no problem with how this money is being spent, but I would have thought that the Advance to Work Scheme and Advance Plus Career Strengthening and the additional Highlands College places was part of general government expenditure rather than a one-off fiscal stimulus. Can he tell the Assembly what will happen to these causes when funding runs out in August 2012?

**Senator P.F.C. Ozouf:**

I think that that is a very good question. There was not base funding for any programmes such as Advance to Work and Career Strengthening. Such is the success of what is happening in relation to Advance to Work, getting people - young people, in this case - that would otherwise not be in work into work, raising their skills, raising their motivation levels, raising their own self esteem in many ways in terms of getting into the workplace, I think that this has got a long-term repetitive spend in order to reduce unemployment and keep people otherwise that would not be in the workplace. There is a challenge for the Council of Ministers in relation to that which is going to need to be reallocated spending and I agree absolutely with the Minister for Social Security, there needs to be a thought about how we get people off benefits and into work and a repetitive amount of spending is going to be required and we have got work to do.

**11.1.6 Deputy R.G. Le Hérissier:**

Partly on that theme and congratulating the Minister and his team on what, to many people, has been an excellent programme, but can he assure us that these programmes will lead to a permanent up-skilling within the Jersey economy and that they are not make-work? Are there measures in place to ensure that they will stick rather than just be temporary?

**Senator P.F.C. Ozouf:**

I think that the Ministers for Education, Social Security and Economic Development would agree that when I met them a couple of weeks ago with both my Assistant Ministers, we gave them quite a grilling in their offices. We really wanted to know the effectiveness of these schemes and I think that we were all extremely impressed. I do congratulate Education and the other departments on what they are doing and the Skills Board. This is real long-term up-skilling. This is not just keeping people in courses because there is no work. I have been really impressed by these schemes and I think that we need to find investment for more such schemes in the future.

[17:15]

**11.1.7 Deputy T.A. Vallois of St. Saviour:**

I am just going to echo the words of the Minister for Treasury himself that the monies for this were never meant for a self-service buffet. Although I agree with the scheme that was put forward I understand all along that it was improving upon time and I am surprised that the Skills Board have not come forward with a long-term plan as yet. So, what I would like to ask the Minister is whether the £3 million that will be left over will be returned back to the stabilisation fund, whether he has consulted F.P.P. (Fiscal Policy Panel) with regards to this, and also the advice that he has received from the steering group, whether the Corporate Services Panel, seeming as he will be consulting with us, could see that advice as soon as possible?

**Senator P.F.C. Ozouf:**

I have not consulted the F.P.P. I would not consult the F.P.P. for an amount of money of £3 million or £5 million, to be perfectly honest with the Deputy. Their advice has been clear and we are following it through. I am more than happy to share the advice of the Fiscal Panel that advised me. They pointed out, they had criteria to advise me in relation to the timeliness and the temporary nature of it and they were uncomfortable that this extended the period that was originally envisaged. That is why I am making this statement today and I am telling Members, I am informing Members, of my plan to extend the timeframe. We have been extremely successful in delivering fiscal stimulus projects under budget and achieving all the targets that we set. This is money over and above that we thought we would have and we are now directing this in the particular sensitive areas of unemployed young people in the 19 to 20-plus area. Whereas, if Members look at the unemployment figures they will see that there is a particular issue and we can make a real difference. I am going to look forward to talking to Corporate Affairs on this and I hope they are going to agree with the drawdown.

**11.1.8 Deputy M. Tadier:**

Clearly, this funding is welcome. I think there is a question to be asked whether this is genuinely fiscal stimulus, whether it will create any economic growth. Of course, investing in people is to be welcomed rather than simply investing in tarmac and sewage systems. **[Laughter]** My question is, however, if the jobs are not there at the end of it and if we are not creating new jobs ... we know as a government we are cutting posts in our department, many of us are not convinced that the private sector is going to be picking up those jobs. In fact, the trend seems to suggest otherwise. Can the Minister assure us that this is not simply a delaying measure, albeit training people up, but potentially for jobs that are not going to be there at the end of it?

**Senator P.F.C. Ozouf:**

Sometimes Deputy Tadier is so depressing. I am confident about Jersey's future. I want this Assembly to make decisions that will create jobs. Yes, we have some difficult decisions in terms of spending reductions, but we can create new jobs in the private sector. I am afraid to say that I think we have made a bad decision today to put off the regulations of the new gaming industry that we can create. If we put in place policies that will create jobs we will find jobs for the people that are unemployed and we will get people off benefits and we can do a better service for all of our community on that. The purpose of the additional money is to match people's skills with the job opportunities that are there. That is what this additional money is going to be spent on. It has already worked and it will continue to work throughout the period of time that I have set out in my statement.

**11.1.9 Deputy M. Tadier:**

Can I ask a supplementary? I think that the Minister has confirmed that this money is not going towards the creation of new jobs; it is there to educate individuals. That is not depressing; I am in favour of education for education's sake. So whether there are jobs there or not, it is good for the individual. My point is that this is not fiscal stimulus; it is being sold incorrectly. Will the Minister not accept that?

**Senator P.F.C. Ozouf:**

No, I think the Deputy needs another tutorial. I ask him to read P.55, look at the purpose of fiscal stimulus. It was to keep people in work and in other areas to create new jobs; a whole range of investments that are designed to keep people in work, creating new jobs, skilling people up to match those new jobs. If the Deputy reads P.55 he will see that this is entirely compliant and we have done a good job.

**The Bailiff:**

I know there are a number of other Members who indicated they wanted to ask questions, but that is the end of questions to the Minister. Then there is also a statement to be made by the Minister for Housing.

**11.2 Statement by the Minister for Housing regarding appointment of Assistant Minister.**

**Deputy A.K.F. Green of St. Helier (The Minister for Housing):**

I wish to advise the Assembly today that I will sign my first ministerial decision in which, with the agreement of the Chief Minister as required by Standing Orders, I will appoint the Constable of St. John as Assistant Minister for Housing. **[Approbation]** In making this appointment I took into account the Constable's experience, both as the Assistant Minister and at Planning as well as the need for continuity.

**11.2.1 Deputy J.M. Maçon:**

May I firstly congratulate the Minister on his appointment and his Assistant Minister on his reappointment. However, can the Minister confirm that there is not covert policy by the Council of Ministers to put pressure either on the Deputy of St. John or myself by surrounding us by yet another Minister?

**Deputy A.K.F. Green:**

I can confirm that.

**11.2.2 Deputy M.R. Higgins:**

I would just like to ask the Minister whether he is going to delegate any particular responsibilities to the Assistant Minister, or is it too early to say yet?

**Deputy A.K.F. Green:**

It is too early to say that. We were rather hoping to sit down this afternoon and discuss things like that, but we have been doing other things.

**11.2.3 Deputy T.M. Pitman:**

Earlier we saw the new Foreign Minister was appointed because of the people he knows, whoever those people might be. What was the special criteria and experience that the Constable of St. John brought to the post?

**Deputy A.K.F. Green:**

Apart from being a jolly good chap, I really felt that some continuity was important; 3 Ministers in a very short time, 8 or 9 months to go before the next election, we have got a big job of work to do. He has the knowledge, he has the skills, and I think it is the right appointment.

**11.2.4 Deputy R.G. Le Hérissier:**

Can the Minister for Housing confirm he did not consult his magic wand, as there is a rumour that any God-fearing, decent Minister for Housing would not go near that website. **[Members: Oh!]**

**Deputy A.K.F. Green:**

I would have to say that living where I live the link to the States website and Google and all the rest of it is not very good, so I have not had time to consult.

**11.2.5 The Deputy of St. John:**

In the Minister's absence from the Island or through illness, will he instruct his Assistant Minister to attend the Council of Ministers in his absence?

**Deputy A.K.F. Green:**

I will not instruct my Assistant Minister; I will see if he is available to attend in my absence.

**11.2.6 The Deputy of St. John:**

A supplementary. Given that I have attended many Council of Minister meetings in my capacity as Chairman, I am always surprised at not seeing that many Assistant Ministers in the absence of the Ministers. Will he please entice his colleagues within the Ministries just joined to make more use of their Assistants in the absence of the Minister?

**Deputy A.K.F. Green:**

Of course. Assistant Ministers - I know, having been one - play a valuable role. Of course, I will encourage them to use them.

**11.2.7 Deputy P.V.F. Le Claire:**

I know he has only been a Minister for Housing for a short period of time, but really, I must say, his answers seem to be direct. He is answering the questions. What is going wrong? **[Laughter]**

**Deputy A.K.F. Green:**

I have yet to have my tutorial.

**The Bailiff:**

Very well. No other questions? Then that brings that to an end.

**ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS**

**The Bailiff:**

Then we come finally on the Order Paper to the Arrangement of Public Business for Future Meetings and I ask the Chairman of P.P.C. (Privileges and Procedures Committee) to address the Assembly.

**12. Connétable J. Gallichan of St. Mary:**

Firstly, if I could advise the Assembly that for Questions Without Notice there has been a swapping around. The Minister for Planning and Environment will now answer Questions Without Notice on 1st March and the Minister for Home Affairs on 15th March; that is just to note the changes. Moving now to the sitting on 1st March, to remind Members that Senator Le Gresley has requested that P.19 is taken as the first item on 1st March. The North of Town Master Plan, P.190, together with the now 4 associated amendments is moved to 3rd May. As I said, the Deputy of St. Mary has lodged a fourth amendment to that piece of business. Then project 18, listed for that debate, has been withdrawn; that is the Standing Orders, Oral Questions Without Notice. According to my records, if the Scrutiny Panel has deliberated, we should have the continuance of the debate on the Articles of the Draft Gambling (Remote Gambling Disaster Recovery) (Amendment) (Jersey) Law, which was referred to Scrutiny today, so that is P.199. The Importation of Fireworks in 2007, that is P.21 in the name of the Deputy of St. John, has now been moved to 15th March. Then that is all for that sitting. On 15th March, there is the addition of P.26, the Draft (Miscellaneous Provisions) (Jersey) Law 200-, request to Privy Council in the name of the Deputy of Grouville.

**12.1 The Deputy of Grouville:**

I do not know if now is the opportune time to say, but I was wondering if I might move that proposition to the next sitting, although I know I cannot debate it until Wednesday because it was only lodged today, but I think it is better to debate it sooner rather than later.

**The Bailiff:**

So, you wish to add your proposition to the 1st March sitting?

**The Deputy of Grouville:**

Yes, I do.

**The Connétable of St. Mary:**

If I could respond to that. I would urge Members to take that on 15th March. As the Deputy has said, it is too late for the first sitting. We have half-term coming up when many Members are away and P.P.C. does need to meet to consider its response to that projet and I would urge Members to still take it on the 15th March sitting.

**The Bailiff:**

Are there any other matters that anyone wants to raise in relation to the 1st March order? Or, Chairman, anything else you wish to say in relation to 1st March?

**The Connétable of St. Mary:**

Yes. Obviously, on 15th March we need to add projet 21, which has moved. Do you want me to carry on with the rest of the business, or just ...

**The Bailiff:**

Well, perhaps we had better resolve the matter of the Deputy of Grouville's proposition. Deputy, do you wish to still move that your matter be added to 1st March?

**The Deputy of Grouville:**

I do, yes. Thank you.

**12.2 Deputy P.V.F. Le Claire:**

If I could be helpful, I do not know if it does help, but I am willing to request the permission of the Assembly to move mine, which is on 1st March, P.22, to 15th March, if that helps. I do not know.

**The Bailiff:**

P.22, that is media releases, so you move that to the 15th? Very well. So, we have a proposition by the Deputy of Grouville that P.26 be added to the 1st March. Is that seconded? **[Seconded]** Yes, it can only be heard, of course, if it is taken on the Wednesday. Now, does anyone want to say anything about that?

**12.3 The Deputy of St. Mary:**

Just on a point of order. I was under the impression - I may be wrong - that if a proposer wishes to take it in 2 weeks as a Back-Bencher then that is in order. I did not know that the States decided on whether it was debated on Wednesday. If she wants to put it down for Wednesday then she can put it down for Wednesday.

**The Bailiff:**

The States can always decide what it is going to debate for up to 3 occasions, I think it is, on Standing Orders. So it is for the States to decide whether to take it on ...

**12.4 Senator J.L. Perchard:**



I think a perfectly reasonable request has been made. The agenda for 1st March is very light; it looks like we will complete our business on the Wednesday and we all understand that this projet could not be taken on the Tuesday. If, for any reason, our business was completed on the Tuesday, it presumably would fall over to the 15th.

#### **12.5 Deputy A.E. Jeune:**

Excuse me. If I understood the Connétable of St. Mary correctly, she was expressing a concern that other groups would need to meet to discuss it and the timeframe is less than 2 weeks for them to do that work. I think we ought to consider that. Thank you.

#### **12.6 Deputy M. Tadier:**

If I could speak in a similar vein. We have only agreed not so long ago that these kind of propositions, and especially this one - it is something of great importance to the Island - should have a reasonable time for Members to be able to digest. We have already heard from P.P.C., that they feel that they need a lot more time. I certainly need some time after this sitting to get back to read through it properly, to go and consult my parishioners and see what they have to say on the issue. I think that something like this should not be rushed and that it does need to wait until the sitting after the next one so that we can get to grips with it and it should not be taken lightly. I do not see the rush with this. I think we have other business which is already down and I think the extra time would be appreciated.

#### **The Bailiff:**

Deputy Pitman, do you wish to speak? Then I will ask the Deputy of Grouville to reply.

[17:30]

#### **12.7 Deputy T.M. Pitman:**

Very briefly. I suppose it depends whether we want to look as silly as possible as quickly as possible having only recently made this decision. I think it is unfortunate that one of the proposers who seconded this of course is desperate to be a Senator so, you know, vested interest against democracy, that is the issue. I certainly would like to, as a new member of P.P.C., have the chance to discuss it ...

#### **The Bailiff:**

Deputy, you are yet again imputing improper motives to other Members. I have said this to you on so many occasions. One of these days I am going to have to exert disciplinary action if you keep breaching Standing Orders. You have alleged that somebody has signed this for improper motives.

#### **Deputy T.M. Pitman:**

I am only going by what the Member has said, that he wants to be a Senator. That is all and that is all ...

#### **The Bailiff:**

No, that is not right; you have said that he is doing it out of self interest.

#### **Deputy T.M. Pitman:**

I do not think I did say that but, obviously, I know the rules seem to be different for some people. Okay.

#### **The Bailiff:**

Very well. The Deputy of Grouville.

#### **12.8 The Deputy of Grouville:**

I would just like to say given the nature of the proposition I think it is sensible to take it sooner rather than later. Deputy Tadier is quite right; we have recently been through it. It should be reasonably fresh in Members minds and I think it is something that is ... well, like I say, is done sooner rather than later. It is unfortunate the remarks that have been made because the people that signed my proposition did so and as for Deputy Gorst here on my right, he declared himself ... he was going to stand as a Senator regardless. So, I think those remarks were quite unfortunate.

**The Bailiff:**

Very well. So, now ...

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

The appel, please.

**The Bailiff:**

You ask for the appel then. The proposition therefore is from the Deputy of Grouville to add projet 26 to the 1st March. If you wish to do that you vote pour; if you do not you vote contre. The Greffier will open the voting.

<b>POUR: 22</b>		<b>CONTRE: 21</b>		<b>ABSTAIN: 1</b>
Senator T.A. Le Sueur		Senator P.F. Routier		Deputy A.E. Jeune (B)
Senator P.F.C. Ozouf		Senator T.J. Le Main		
Senator F.E. Cohen		Senator B.I. Le Marquand		
Senator J.L. Perchard		Connétable of Trinity		
Senator A. Breckon		Connétable of St. John		
Senator A.J.H. Maclean		Connétable of St. Saviour		
Senator F. du H. Le Gresley		Connétable of St. Peter		
Connétable of St. Helier		Connétable of St. Mary		
Connétable of St. Clement		Deputy R.G. Le Hérisier (S)		
Connétable of St. Lawrence		Deputy J.B. Fox (H)		
Deputy R.C. Duhamel (S)		Deputy J.A. Martin (H)		
Deputy of St. Martin		Deputy G.P. Southern (H)		
Deputy of St. Ouen		Deputy J.A. Hilton (H)		
Deputy of Grouville		Deputy S.S.P.A. Power (B)		
Deputy P.V.F. Le Claire (H)		Deputy S. Pitman (H)		
Deputy K.C. Lewis (S)		Deputy of St. John		
Deputy I.J. Gorst (C)		Deputy M. Tadier (B)		
Deputy of St. Mary		Deputy T.M. Pitman (H)		
Deputy A.T. Dupré (C)		Deputy M.R. Higgins (H)		
Deputy E.J. Noel (L)		Deputy A.K.F. Green (H)		
Deputy T.A. Vallois (S)		Deputy J.M. Maçon (S)		
Deputy D.J. De Sousa (H)				

**12.9 Deputy G.P. Southern:**

May I just inquire where P.23, Higher Rates of Income Tax, is sitting at the moment of the President?

**The Connétable of St. Mary:**

P.23 is listed for the next sitting, 1st March.

**Deputy G.P. Southern:**

Is 1st March now looking full or empty? Because it is not a matter of extreme urgency.

**The Connétable of St. Mary:**

Deputy Le Claire has offered to move one of his propositions. I do not know if that still stands? I think he was thinking only if it would assist.

**The Bailiff:**

I think Deputy Le Claire did say he would move his, so I think that has happened. Deputy, I think you indicated that you ...

**12.10 Deputy P.V.F. Le Claire:**

I understood from the comments of the Privileges and Procedures Chairman that the business for that day ... given that there was a mention of half-term, *et cetera*, so I tried to be helpful. I ended up obviously being stupid. It is not the first time.

**Deputy G.P. Southern:**

It is not essential to debate it on 5th March and I am quite happy for it to go to 18th March without a problem because then I might receive some comments from the Minister for Treasury and Resources in good time.

**The Bailiff:**

Very well. So, you want to move that one, Deputy? Very well. That moves to the 15th.

**12.11 Deputy M. Tadier:**

Can I ask a point of order? It is just to do with P.26 and I do not want to labour the point, but it is an important proposition. Is it essentially not a rescindment motion? Because within this proposition we are asking the Privy Council to take note, to agree that it is no longer the wish of the Assembly that the law should pass. In order to do that we need to have a debate on whether or not it is the wish of the Assembly to rescind the previous motion. So, that essentially in my eyes it seems you need to have the rescindment motion first in order to send this to the Privy Council to tell them it is no longer our wishes.

**The Bailiff:**

This is in effect a rescindment motion, yes. That is why it is signed by more than one Member.

**Deputy M. Tadier:**

Is that possible within the timeframe in which we have agreed?

**The Bailiff:**

Yes, it is.

**12.12 Senator P.F.C. Ozouf:**

May I just seek clarification? Is that proposition at the bottom of the list?

**The Bailiff:**

Yes, because it cannot be debated until the Wednesday anyway.

**12.13 The Deputy of St. Mary:**

May I ask about the Historical Child Abuse request to the Council of Ministers? Did I hear right that that will be taken first, or is that a matter we have to decide?

**The Bailiff:**

No, that is going to be taken first, as I understand from the Chairman of P.P.C.

**The Connétable of St. Mary:**

Yes. Should I continue?

**The Bailiff:**

Yes. There is more?

**12.14 The Connétable of St. Mary:**

There is more, unfortunately, yes. **[Laughter]** For the business on 29th March is as stated. The business of the 15th April. we will have projet 25, the Draft States of Jersey (Transfer of Functions No. 4) (Treasury and Resources to Chief Minister) (Jersey) Regulations in the name of the Chief Minister. Then we have the pieces of business for the 3rd May sitting, which are the North of Town Master Plan, P.190, in the name of the Minister for Planning and Environment and the 4 amendments thereto, in the names of Deputy Le Claire, Deputy Green, Connétable of St. Helier and the Deputy of St. Mary. That, as they say, is all.

**The Bailiff:**

Very well. Do Members ...

**12.15 Deputy F.J. Hill of St. Martin:**

Could I just make a request of the Chief Minister that P.19 amendments was lodged yesterday and I would ask that if the Council of Ministers are going to put comments that they do not wait until the actual Tuesday, 1st March before they are made available to all Members, including the proposer and the proposal of the amendment. Thank you.

**The Bailiff:**

Very well, I am sure the Chief Minister will note that. Very well. So do Members agree then to take the Public Business as listed and as discussed? Very well. Then that concludes the business of the Assembly. We will reconvene on 1st March.

**ADJOURNMENT**

[17:37]