

STATES OF JERSEY

OFFICIAL REPORT

FRIDAY, 21st SEPTEMBER 2007

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

PUBLIC BUSINESS - resumption

**1. Annual Business Plan 2008 (P.93/2007): Ninth Amendment (P.93/2007 Amd. (9))
(...continued)**

The Greffier of the States (in the Chair):

The debate resumes on the Annual Business Plan, the ninth amendment. Does any other member wish to speak?

1.1 Senator M.E. Vibert:

What I believe this debate must be about now, today, particularly after yesterday, is responsible government in the best interests of all Islanders. I grew increasingly concerned yesterday that at times the debate seemed more about some sort of anti-Council of Ministers feeling: "We will show them who is really in charge" rather than responsible government putting the Island's best interests first. I found it very concerning. It sounded very much at times like an "us and them" situation and I was not comforted this morning by the remark of the Chairman of the P.A.C. (Public Accounts Committee) describing the grouping as a "rebellious little band". To my mind, it should not be that way because if it does develop in that way, them and us, it will make true my greatest fear of the system of ministerial government we have moved to. I heard lots of mentions yesterday about the Council of Ministers - "them" - but we are your - the States - Council of Ministers. You elected us to do the job on your behalf of running all our various departments. On your behalf we have done that and presented to you the minimum budget we believe is required to run our departments for you in 2008. What has the response been? P.A.C. and those who have spoken in favour of the amendment are in essence saying they do not believe us, that we can do it for less and that we will not have to make the cuts we say we will have to make. I regret P.A.C. brought this amendment in the way they have. I regret they did not ask to meet the Council of Ministers on receiving the Business Plan and say to us face to face: "We believe the overall amount is too much. How can we reduce it by working together in the best interests of the Island as a whole?" If members do not believe me as ESC (Education, Sport and Culture) Minister and other Ministers when we say what cuts will have to be made to meet a £12.5 million cut in the planned budgets for next year, what does that say about their confidence in their Ministers they elected? We had to elect a new Health and Social Services Minister earlier this week. If you have no confidence in the current Council of Ministers or individual Ministers, please say so and bring whatever motion is necessary. But, apart from one or two of the usual suspects who would say that, that is not what I have heard, but that is, in essence, what P.A.C. and anyone who backs this amendment are practically saying. We, all of us, need to behave in a responsible way for the good of the Island. I ask these questions: will it be in the Island's best interest to make quick, short-term cuts in services, which is what will have to be done to meet cuts of £12.5 million starting in three months' time? Would it not be more responsible to work together to see where long-term acceptable savings can be made? Sir, I said earlier I was concerned that what I was hearing yesterday was raising my very worst fears of what could go wrong with the system of ministerial government we have adopted. That is it developing into an "us and them" mentality. My concern is that all members are not involved in constructive government and, therefore, find it much harder to realise the realities of what they would be asking the Council of Ministers to do in making these cuts. Perhaps I can illustrate this by referring to one speech in particular yesterday as an example of my concerns. I am sorry Deputy Martin is not in the Chamber at the moment because it is her speech I wish to refer to, Sir. Deputy Martin yesterday seemed convinced cuts could be made, yet the same Deputy Martin, when a valued member of my then Education, Sport and Culture Committee, refused to countenance any suggested cuts which were then put forward in ESC. As a committee member, Sir, as someone constructively involved in ESC, Deputy Martin then could not see the scope for any cuts, was not prepared to take any of the savings offered. Well, I can inform the Deputy that unfortunately I have been forced to make cuts since then because of budget constraints. I have already had to impose some of the cuts Deputy

Martin was so strongly against as a committee member and yet now, as a non-committee member, Deputy Martin seems to believe even more cuts are possible. Well, if there is scope to find savings to make cuts, let us work together, Scrutiny and the Executive, to find them. P.A.C. are not proposing what should be cut. They say that is the Minister's job. As far as I am aware, individual Scrutiny Panels have not proposed any cuts or savings to the individual departments they are responsible for. So, according to P.A.C., it is the Minister's job to find the savings to make the cuts, us and them. But when we Ministers have laid out in our comments what we would have to do to make those savings, we are told: "No, you do not have to do that, you are only shroud-waving." Well, Sir, what may be shroud-waving to P.A.C. members and others is not shroud-waving but painful reality to Ministers. My own departmental list is not a collection of shrouds but the painful reality of what would have to be done if ESC had to make £2.5 million savings for next year if the cuts were pro rata. Eighty per cent of ESC's budget goes on staff costs and I revealed earlier this week how the vast majority of staff were frontline workers. So how do I cut without cutting staff? Sir, you need more than three months' lead-in to achieve any staff cuts. We have said what we would have to do. We would not be able to fill any vacancies so we would have inadequate staffing to achieve one class per year group in the primary non-fee-paying sector, resulting in mixed year groups or the closure of classes and pupils moved to other schools. Is that in the best interests of the Island? We would have insufficient staffing to achieve a broad range of subjects in order to meet the Jersey curriculum in secondary education and give our young people a wide and necessary choice of subjects. Is that in the best interests of the Island? We would have to impose at very late notice a material increase in school fees in the States and private fee-paying sector, and that will lead inevitably to a transfer of some pupils to the States sector, which will throw a greater financial burden on to the department. Is that in the best interests of the Island? There will have to be a reduction in the vocational opportunities for young people in the Island to get work experience, et cetera. Is that in the best interests of the Island? We would have to close sports facilities or restrict their opening hours. We would have to cut the grants to major organisations in culture and heritage. Is that in the best interests of the Island? We will struggle and it will probably lead to a reduction in support or loss of places for special education needs pupils in mainstream and special schools. Is that in the best interests of the Island? It is not shroud-waving. It is what, if we had to make these cuts starting in three months' time, we would have to do because, as I said, 80 per cent of our budget is in staff. We have proposed in the non-statutory areas cuts that we might do before which received no backing from this House, no support. We could cease language assistance, but this House has time and time again said how important having language assistance and promoting second languages are. We could, as I said, cease the grants we give, for example, for the Durrell Trust and the teaching of Jèrriais, but again people have said what an important part that is. We could introduce charges for learning musical instruments and the Instrumental Music Service. That has previously gone down like a lead balloon in this Chamber. So as you see, I am not shroud-waving; I am telling what it is. It is merely trying to put a perspective on what would have to be achieved if we had to make such cuts in such a short timescale. To give some sort of perspective to what £2.5 million in savings would equate to in my department, well, it is equal to the annual revenue cost of three primary schools, for example. It is approximately twice the cost of the youth service, the whole youth service. It is more than the combined running costs of the public libraries and the Instrumental Music Service put together. It is approximately half the cost of one of our 11 to 16 secondary schools. That is reality, not shroud-waving. I know that P.A.C. said that savings do not have to be pro rata and that the Treasury Minister can move cuts about. So let us briefly think seriously about the situation if you exclude some departments from having to contribute towards the savings. I have already had to cut school budgets this year to pay for the wage settlement and it has hurt. It has hurt schools. So perhaps I could persuade my fellow Council of Ministers members and States' Members that my ESC budget should be protected. I have told you what I have had to do. I would hope that none of you would want me to do any of those things. So perhaps you would let me protect my budget, so that is £96 million off the total. I am sure members would not want to hit Health and Social Services after just appointing a new Minister to the post. He has got to find

his feet there, so that is another £148 million off. Social Security's budget is mainly in benefits and I am equally certain that members would want to protect them, so that is another £137 million exempt. With the problems at the prison needing resolving, perhaps Home Affairs' budget needs to be spared as well. That is another £43 million. The total, Sir, of those Social Department budgets: £424 million. So, if we do not make the savings there, if we allow the Treasury Minister to move things around and exempt those departments, it leaves just £81 million revenue costs among the other departments to find £12.5 million from next year, a cut of over 15 per cent. Is that responsible government? Perhaps the suggestion might be instead: "Well, you have some planned growth for next year. Just cut back on that. That is about £12.5 million as it so happens." It is, but that growth is principally in Health, the prison and social security benefits. If members want us to cut in those areas, please tell us and accept the consequences. There really is no hiding place. If members - which I sincerely hope they do not - support this well-intentioned but fatally flawed amendment, then they must be prepared to accept responsibility for the inevitable cuts in services that will follow. Seven angry men, Sir? I think there will be a few more angry members of the public when the reality of what these cuts mean is translated into reduced services. Ministers, the States' Ministers, States' members' Ministers have not produced these lists of what would have to be cut to meet the proposed savings to scare people. We have produced these lists because it is what we would have to do. If you do not believe us, please work with us to show us where we can make alternative, less painful savings. I really do not think it is responsible government to say: "Just go away and make the cuts, but do not do those you said you would have to do because we do not like them and we believe you can find better ones, but we cannot tell you what they are because we will not work with you and we do not know." Deputy Ferguson, Chairman of P.A.C., said it was only the States' job to decide how big the cake was and not how it was made up. Well, I do not pretend, Sir, to be a knowledgeable cook, but does the size of the cake not depend on all the different ingredients that make it up? In our case, the main ingredients are Health, Social Security and Education. If you do not want to reduce them, how do you achieve a smaller cake? Deputy Ferguson and others, Sir, referred to "less government, not more." It may be a pat phrase but in this instance what would less government really mean? Less health provision? Lower benefits? Poorer educational provisions? I fear that is what less government means in reality if this amendment is passed. All departments have already made significant efficiency savings and they have hurt. My own department made savings of over £300,000 last year and has to make more savings this year under the Council of Ministers' own proposals of over £360,000 in 2008, which is going to be painful enough. P.A.C.'s amendment would push the savings needed in ESC up to nearly £3 million. On staffing, I was somewhat surprised to hear Deputy Ferguson, Chairman of P.A.C., say that while a Health Committee member she was staggered to find out there were eight levels of management in Health. I must ask, if the Deputy thought this was too much and savings could be made, why did she not do something about it then? Why is she not proposing something concerning it as a specific saving measure now? I think I know the answer and I am sure part of the answer is that the Deputy, as a committee member of Health, understood the difficulties in achieving such change and savings in such a short timescale, otherwise I am sure she would have done it. Why is P.A.C. just going for an overall cut and not identifying specific savings? This could be meanly interpreted as washing their hands of the dirty work of having to identify what is to be cut. I heard yesterday Senator Norman - and again, I am sorry he is not in the Chamber to hear me say this - in what I thought was a very depressing speech said, and others echoed it: "I want to decide what to do with my money. I do not want the Government to decide for me." Well, I am sure that is fine for Senator Norman and others, but what about those who do not have as much money, who depend on States services? Because make no mistake, cuts in services means one thing for sure: it hits those who can least afford it the hardest. The least well-off cannot decide for themselves what to do with their money because they simply do not have the money to make that choice. Deputy Huet raised some concerns about schools and, yes, Deputy Huet, we are updating some school computers. I have asked, I have questioned, scrutinised: "Is this necessary?" and have been convinced that it is if we are to properly train and educate our children for the world they will have to work in in the

future. On a lighter note, I can also inform Deputy Huet we have also got rid of the slates for writing in our classrooms as well. The Deputy of St. Ouen was one who was worried about the National Gallery. I know he is out of the Island today and I wish him well on the C.P.A. (Commonwealth Parliamentary Association) trip. Let me assure the Deputy, and the States as the Deputy is not here, that one of the conditions I have laid down as Minister of Education, Sport and Culture concerning the National Gallery is that any proposals must demonstrate they require no public funds for the capital or revenue costs of such a gallery. When and if there are any definite proposals, I will bring them to this Assembly and it will be States' members who will decide whether it should go ahead or not. If the States believe even more savings than have already been achieved or are in the pipeline can and need to be made, I must ask is this amendment really a responsible way to go about it? To say: "Just cut £12.5 million starting in three months' time from your budgets for next year and it is up to you how you do it", is that responsible government? Or is responsible government saying: "We believe more savings can be made. We accept you say they cannot without unacceptable cuts. Can we work together and look ahead to 2009 and beyond to see what we all believe can be achieved in the best interests of the Island?" I say to P.A.C. and to all States' members we should be working together on this and I would hope P.A.C. could see their way to withdrawing this well-intentioned but short-term amendment and work with the Council of Ministers towards finding long-term savings. Sir, for States' Members to be responsible it is not possible to support this amendment, but I would wish instead to work with P.A.C. and the whole of Scrutiny to see what further savings could be identified in future. Thank you.

1.2 Senator S. Syvret:

I was unable to attend the meeting yesterday. I did, though, catch a brief part of the debate on the radio. It just so happened that the Member speaking at the time was Senator Len Norman. Populist yet covertly authoritarian, appealing to simple public instincts, yet in truth the type of policy which would, if enacted, cause great hardship to many thousands of people in Jersey. I found myself thinking that in Deputy de Faye we had a member who physically resembles Mussolini; I grant you perhaps before he grew the beard he now sports, but in Senator Norman we have a member whose cynical demagoguery and ability to drape the cloak of populist appeal over what are essentially policies to help the rich get even richer resembles nothing less than dangerous fascism of the type that Mussolini came to power on. Let us, Sir, count ourselves fortunate that such attributes are not common in this Assembly. Last night I was having dinner...

Deputy G.W.J. de Faye of St. Helier:

If the Senator would briefly give way, while I accept his description of my appearance I would like to disassociate myself with any policies that Mussolini carried out.

Senator S. Syvret:

Indeed, Sir, the point is accepted. I was having dinner last night with friends and the famous Irish poet Matthew Sweeney, who is in the Island to take a workshop this evening and to do a reading on Saturday night, and we were wondering whether I had any Irish blood in my veins because of the kind of indigenous belligerence that I sometimes display. I think it is probably more likely Breton. In fact, I just mention to members if they want to brush up their poetry techniques, the workshop he is doing is at 7.00 p.m. tonight at the Arts Centre. I write poetry, though it is a genre I have neglected for some time. My speciality has more become belligerent epistles and, indeed, I was urged to publish a collection of my various writings. I did say I would have to wait until I was already bankrupted first before doing so, so that the resultant mass of legal actions would not make any great difference to me. But, Sir, to turn to tax, let us cut tax, let us cut public expenditure. Well, I was struck at just how far from the truth was the speech of Senator Norman and, indeed, the views of some other members. To hear them speak, you would imagine that Jersey was a heavily taxed society. We are not. On the contrary, the fiscal policies of this community are in reality too far off to the opposite extreme. I have some figures here which are total tax take as a percentage of G.D.P.

(gross domestic product). These are for the year 2004; they are the most recent I have but I doubt if the position has changed a great deal. The average tax take as a percentage of G.D.P. in the 15 major E.U. (European Union) countries was 39.7 per cent. The O.E.C.D. (Organisation for Economic Co-Operation and Development) average is 35.9; the U.K. is 36.1; Guernsey 25.7; the Isle of Man 45.3; the United States of America 25.4; Jersey pre-tax changes 21.5, but Jersey post-tax changes 20.8. So the total tax take raised by the Government of this Island from the community is off the bottom of the scale, it is so low. Indeed, I just do not think we are being honest with the public when we try and pretend to them that they can have world-class education services, health and social services, the social security system at the moment, housing benefits, housing provision, all the rest of it. We are struggling as it is to be able to deliver all that with the tax take we raise now, given that it is so low. The facts speak for themselves. I invite members to carry out the international comparisons themselves. If anything, in truth we ought to be taking more tax out of the Island's economy. That is not the kind of thing, of course, that the public want to hear, but sometimes you have to tell the truth in order to lead responsibly rather than merely going for the populist option at every stroke. I am surprised that this Public Accounts Committee can seriously come forward with a policy that would see £12.5 million saving required to begin in three months. By what remote and vague concept of financial responsibility and competent financial management is it imagined that that could possibly be a realistic proposal? Departments are already committed. The plans are laid. Important service developments are being bought into, provision that the community wants and, if this P.A.C. has its way, we are going to turn to these departments and start saying to them: "In three months' time we want you to start cutting yet more", even though departments have already had to do so to make up for the pay settlement. I just think it is sheer financial incompetence. To see it exhibited by, of all bodies, the Public Accounts Committee has to be deeply worrying. At least if it was to start in the year 2009 that might make it a little more vaguely plausible, but it just is absolutely off the radar screen of sensible responsible politics. Were this proposition to be carried today, it would cause absolute chaos, I think a political crisis in the Island of probably a very serious type. I think members ought to just think about that. Members will understand that perhaps the Council of Ministers are not my favourite people at the moment, but in this matter they are absolutely right. This amendment must be defeated. It has to be defeated. The total tax take in Jersey as a percentage of G.D.P. is low, lower than any other reasonably comparative jurisdiction. So the populist, crypto-fascistic appeals to "let us cut tax and let us cut spending" without explaining to the public just what that would mean for their service provisions is something that is so irresponsible I really hope we are not going to see any more of that in this Assembly.

Deputy S. Power of St. Brelade:

Can I raise a point of clarification that the Senator made and correct the Senator? The Irish do not have exclusivity, Sir, on indigenous belligerence. I think that is very much in evidence in this Chamber, Sir. Thank you.

Senator S. Syvret:

I did say, Sir, we concluded that it was probably any Breton blood.

1.3 Connétable K.P. Vibert of St. Ouen:

I have to say that when Senator Vibert started, the note I wrote down was that it was going to be a totally negative response. I think towards the end of what he said he did come round to a more conciliatory position. Sir, I think that we need today to congratulate the Chairman of P.A.C. on bringing this forward. At least we have had a chance to air our views on it and it has given the Council of Ministers a fair feeling of what the rest of the House feel. Having said that, I would urge the Chairman of P.A.C. to think about withdrawing this proposition because I think the timing of it is totally wrong. The proposition when put to the various departments produced the response which the Council of Ministers have put forward and I say that that response is pushing the panic button.

Faced with having to make these cuts in three months' time, they came up with... yes, members said yesterday the sort of things which were going to tug at the heartstrings. I suspect that they were that way because their own heartstrings were tugged at. We have over many years built up in our departments a sense of security, a sense that this proposition was never going to come. Now, it does not mean to say that we must not bring this proposition. I think we must, but not in the way that the Chairman has brought it today. This proposition, if accepted today, pulls the rug from underneath the departments and they will panic into what their response is. I think we need to go back and, as Senator Vibert said towards the end of his speech, we need to get together. We need to talk together. We need to talk to the departments and say: "The public feel that we should be cutting the cost of government. How can we achieve this without the real pain that this sort of proposition would bring about?" I think, Sir, that I would plead with the Chairman to now withdraw this proposition. The Council of Ministers have heard quite clearly what members' feelings are, and I think that the P.A.C. now needs to work very carefully and very closely with the Council of Ministers and all the departments to see whether anything can be achieved.

1.4 Deputy A.E. Pryke of Trinity:

I shall be short and to the point. I, too, congratulate the Deputy on bringing this proposition and really bringing this very difficult issue up for debate. We are being told time and time again by the public to cut spending. Quite right, but if this proposition is approved today it will mean the cuts will begin next year and three years' time. If you look at page three of the Council of Ministers' comments, these are just a selection of the services that could be cut next year if this proposition was approved. Heartrending, difficult decisions. But you could also say: "We will not cut this" or: "We will not cut that, we will change it around." If it is not those, then it is something else in that department. That is the real world. That is the bottom line. Are we going to say: "Sorry, we will not be able to cut this or that any more, we will have to take cuts"? What will be the knock-on effects to the public? I would like that question answered. This is all for next year. If this proposition had said from 2009/2010 so that departments would have time to prepare, then I may have supported it, but not as it stands, not as a knee-jerk reaction. I, too, like the Connétable of St. Ouen, urge the Deputy to think about withdrawing the proposition. Thank you, Sir.

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

Manyana, manyana, always put off until tomorrow what you should be doing today. Those comments have been made by a number of members and I think they are fundamentally wrong. We should be living within our means, not living at the edge of them or going beyond. Senator Syvret was quite right when he highlighted the notion that resonated in most members' minds and, indeed, the minds of the public: we are not conditioned towards paying high taxes. Now, we have to get it right. Either we want to have a government which prides itself on taxing more or taxing the same but spending more, or we want to live within our means, tax less, spend less or tax the same and spend less. I think, Sir, that fundamentally the budget process is flawed. Certainly from an ordinary financial perspective I would not run my affairs by spending up to the limit and then asking myself how much was left over to put into the bank for a rainy day. I mentioned this last year when we were discussing our accounts and if members turn to page 12 of the Financial Forecast 2007-2012 on the smaller draft Annual Business Plan, they will see that under item 10 there is no transfer to the strategic reserve, not for the next year or the year after or 2010 or 2011 or 2012. In fact, by the time we get to 2012 the forecast is suggesting that we moved from perhaps what could be considered to be a healthy surplus of £27 million to an unhealthy deficit of £28 million. So we are going backwards. Now, I know and everybody else knows in this House that financial forecasting is not a rigorous procedure. There is an element of probability in a lot of the figures and windfall profits do sometimes come along in order to get us out of the long-term deepening hole. But what I would like to see, Sir, is the spirit of the amendment (9) agreed to by members of this House. The process really should be one, in my view, whereby we come to the House and we establish out of all the income monies that are going to be coming into the coffers how much we want to put aside

as a top slicing process. Now, if we did that, the size of the budget then would be fixed to be argued over or sorted out if we are not into confrontation politics and issues by the Ministers whose job it is to sort out these things, along with the civil servants and officers. But we do not do it that way; we do it the other way round. We say: "Right, okay, we have to continue to spend on the services that we have been spending before. We will pay lip service to maybe slicing a little bit here or trimming a little bit there, but overall we are not asking our Ministers or, indeed, our chief officers to be financially creative." Sir, I am not pointing fingers at anybody or trying to be disparaging in my comments, but I am reminded of the squeals of little pigs and the bleating of lambs on their way to the slaughterhouse or the butcher's knife. This is not really about cutting, though. It is about asking the Ministers to work within the monies that have been given them and to try and deliver services - the same services or even better services - for less. Now, I do not think if you put that spin on it, Sir, that that is the same thing as cutting. We can dress it up, if you like, and say: "Well, yes, it is tantamount to a cut", but I think cutting is a negative process; delivering the same services for less is a creative process, is a positive process. I think that one of the problems we do have, Sir, is that unless we move towards establishing a line in the sand whereby the monies are ring-fenced, so to speak, I do not think we are going to make much progress. The budgets are going to continue to grow; the Civil Service pay is completely out of control. We can move in that direction if we want to, but we must at some stage, I feel, come towards the idea that we need to be finding more monies so we must be taxing more, as Senator Syvret said, and to levels that we do not wish to go to. I am reminded, Sir, of the proverb: "Necessity is the mother of invention" and my criticism at the moment is that a number of Ministers are being entirely negative and saying they cannot do this or perhaps, as some members have put it, shroud-waving because that is an easy thing to do: "Cut our budgets and we will cut the services that the public will make the biggest fuss about in order to make our point." Now, we do not want our budgets cut. If Ministers cannot be creative financially then I think they should move aside for those Members of the House who perhaps could. Perhaps there are not many of those members in the House at the moment. They are having coffee. As I say, Sir, I think the process is wrong. We should be putting some monies away for rainy days which are going to come. We all know that climate change is upon us and if it is not going to be flood, it might be famine, it might be anything. But I think there are hard times upfront and the monies that we are salting away for the harder days are not being put aside. What it means, if you go through the figures, is that proportionately the position is getting worse. We have less monies to rely upon. I think it was Senator Jeune who introduced the concept of putting monies into a strategic reserve, and we have had the move recently by the Corporate Affairs Panel to establish a stabilisation fund, but there is nothing much going into it. The whole idea was to have monies for at least a year to run the Civil Service. We are not there. We are nowhere near. If the monies that we are going to be expending are getting up to £600 million and we only have £4 million in the bank and we are not putting any more aside and it is getting more expensive, the position is going to get worse. It was stated, indeed, by our Chief Minister a number of years ago that he felt at that time - and I think he probably still does - that the proper sums to be put aside should be equivalent to maybe two or three years' worth of monies for running the whole system. We are nowhere near and if we continue to fritter away funds and not ask our Ministers to think creatively and positively in delivering similar services or same services or better services for less, then the position is just going to get worse. I do think it is probably a valid criticism that perhaps the amendment should have been thought about a little bit before, but again we are into new times and perhaps these things were not thought about early enough and there is a criticism there of the system. Perhaps the Scrutiny Panel involved and any other members who are looking to make financial changes to the system should be involved in the system from an earlier point in time rather than waiting, as it would appear to some members, to the last moment before bringing an amendment to bring about a fundamental change. As far as I am concerned, Sir, I think I will support the amendment because it lays down a line for one year. This is an Annual Business Plan process and we are only talking about the allocation of funds for one year. Next year will be something different and I think it will, as I said earlier, send a very strong message to the Ministers, to the chief officers and everyone else involved to establish a new way of

thinking about how they expend the taxpayers' money and to try and get more out of less. That is the way to do it, in my view, Sir, and, as I say, I shall be supporting the amendment.

1.6 Connétable T.J. du Feu of St. Peter:

This morning we heard the Minister of Education, Sport and Culture touch on the words "responsible members" and he made a great play of the responsible attitude of - I think it is fair to say - the Council members, and, it must be said, those who dared to bring forward or voice the views of the Public Accounts Committee were, in fact, irresponsible. He did not use the word "irresponsible" but you did not have to look very far or deep into the interpretation of that comment to find that out. I refute that completely on every member's behalf. We are here not as "them and us", I fully agree with that sentiment, but we are here to act in a responsible manner. This is precisely what the Public Accounts Committee are doing. They are making the point and making it very strongly and very positively that the way forward surely has to be with a greater depth and degree of dialogue between everyone and, in particular, with certain departments of the Council of Ministers. We had a very hard-hitting speech from the Deputy of St. Ouen. Now, I know he has been taken to task by some members for some of his comments. Probably they have not coincided with their views. Be that as it may, I did not agree with one or two of the views that he expressed or the way that he expressed them, but nevertheless the impact and the point is being well and truly made that there has got to be a greater unity of working together. The Council of Ministers have to accept that they are not 10 people alone. They have to take the whole of the membership into their confidence in arriving at these important issues, and they have to have a degree of respect towards some of those views. Because what really did sadden me yesterday was that when the Deputy of St. Ouen was speaking there were repeated jokes passing between certain Ministers and, quite frankly, that is not good enough in my view. He was speaking in a very sincere manner, what he honestly believed, and he was looking at the interests not only of this House but that wider picture outside. This is a very serious warning shot. There has been tremendous work done and I give full credit to the Council for the manner that they have set about their task, because they have covered enormous ground in a relatively short space of time. In the days when I first started, going back to 1984... some may say: "Well, it is probably time that you were not here, then." Well, I am still here, I know with a little break five years in between, but anyway I am here again for good fortunate or misfortunate on someone's part. Nevertheless, we have to work together, work in a more co-ordinated fashion. In that time of the 1980s through to the 1990s, committee presidents used to bring propositions to this House and the favourite phrase that was cited on all propositions was "in principle". Now, I remember in principle deciding and supporting - I will hold my hand up and say supporting - that £9 million should be spent on the famous cabin, if some of you can remember the cabin. What was the final bill of that cabin? £38 million. Is that good government? Well, if that is good government we are all wasting our time. I think that is dreadful the way that it came about, and this is the sort of example of going to that sort of criteria. All too often what happened when you agreed something in principle, all of a sudden the figures did come out and they were presented to the House, then members used to state: "Oh, that is too dear, we have to stop that", only to be reminded: "You agreed in principle", and you have agreed in principle so on it goes because all this work has been done, all the preparation work has been carried out, there has been so many thousands spent on plans and the juggernaut has started and it is too far before we can pull it back.

Deputy J.J. Huet of St. Helier:

Would the Connétable just allow me to interject for one second, just to bring up that I have listened to all he said about the figures, but our engineers always said it would cost more than £9 million but the States did not listen.

The Greffier of the States (in the Chair):

I hope we are getting back to the amendment soon after the interesting history lesson there, Connétable.

The Connétable of St. Peter:

Perhaps there is a lesson to be learned. I think that the underlying issue with this amendment that has been brought by the P.A.C. is surely one of a sound warning that we have to get it together. We have to work together because consider that this time next year we will be debating the next Business Plan. Now, the next Business Plan, if my memory serves me correctly it is only some three months or so ago when it was made available. There was a presentation called only to be cancelled at the very last minute and rearranged almost 48 hours later. That meant that there was probably a very poor turnout at that actual presentation where all the members were intending to be in attendance and to hear about it. The reason was, very simply, that they could not change plans that had been made for a long time. So, we have to try, even if it means that we have to have a Business Plan for a longer period than the annual basis. Maybe the Council should consider looking at it over a two-year period in order to give themselves more time. This would not happen again then because if we were raising it now the consideration would have to follow then into a Business Plan at a later date where there would be time to look into the depth and detail of it and hopefully conclude on far easier and more flexible opportunities where certain alterations and amendments could realistically take place, but I think we are getting sort of told all the bad news of it. But I think that the Council should, in their wisdom, be thanking Deputy Ferguson for bringing this, as the head of the Public Accounts Committee, to the Chambers' notice because it is sounding a message which is concerning to so many people, not only inside but outside as well. Only this morning the IOD (Institute of Directors) are expressing that same concern and the point that they were making; where is the money going to come from in the future because they were concerned at the large number of the resident population which are going to be of pensionable age, the requirement for the ongoing infrastructure that has been created in the Island and the funding that that is going to require. Those are the sort of stark realistic warnings that have to be taken account of. You cannot continually just brush them under the carpet and say: "We will fix it at a later date", because one of these days that date to fix it is going to run out. So I hope that it is the view and the opinion that is held, and the reasons behind bringing this forward are not to have a go at Deputy Ferguson and the members of that body because they are bringing it forward for, I maintain, the right reasons as a very sound warning bell.

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

I would like to reiterate many of the comments of the Connétable of St. Ouen, principally about working together and about focusing the minds of the Assembly, which this amendment is doing. members should not be under any illusion that we do not have problems ahead if the present indicative forecasts come true. In addition, and on a further timeframe, we have the further impact in the longer term of the aging population issue. I have been involved in the review of finances that the Assistant Ministers and others have been carrying out over the last year or so and, to be frank, it has not been an easy process up to now as an individual, given the many and varied conflicts and/or demands on our time that have arisen. They have been completely beyond our control but each of which have had their own pressing, vital deadlines. An initial summary of a conclusion from one process is that a lot of the easy, low-hanging fruit have been identified and are being acted upon. That is to say, the sensible and easy ideas, and we have been told, I believe, up to £35 million worth of savings have been identified, whether through service cuts or predominantly through identifying and performing efficiencies. Some of the processes that have been re-engineered have been excellent ideas and those are still, I believe, being rolled out. However, I do need to be critical as well. The original fiscal strategy was a package and part of that package was the £20 million worth of savings. That was the deal and that was the deal with the public. That was the full fiscal strategy package that we all bought into and which I stated that I supported as an election commitment. So I am personally getting rather fed up with having to defend why this money was spent and not saved as was originally promised. It is all very well banking on economic growth but that should be treated as a bonus and only when received and banked and only when we know it is sustainable

should we start spending the money where we, as an Assembly, would like it, including on winter fuel or sorting out the problems of early learning, which is obviously something on which we will focus our minds hopefully later this afternoon. I do not know what the latest world economic forecasts are likely to be but given the headlines of the last few weeks concerning credit crunches, et cetera, I cannot exactly see them being optimistic in the immediate future. I may be wrong. It is possible it may prove to be a short-term blip in what was a positive economic outlook. Now, given all of that, it is unfortunate I find myself unable to support the amendment, especially given the fact that, on first sight, it is extremely attractive. I am, however, persuaded that it is not reasonable to ask departments to make the suggested reductions at this relatively short notice and I think that point has been made a couple of times by, for example, the likes of Senator Kinnard. Simply, the instinctive reaction of the departments, as we are seeing, will be to make instant and ill thought out cuts and we have examples in the commentary: closure of acute wards in the hospital, cessation or reduction of grants to certain schools and cease the Criminal Injuries Compensation Scheme. Now, I had never heard the term “shroud-waving” before I entered the States but I do think we have seen examples of it in the last day or so and I am really concerned that the public backlash will just threaten the possibility of further properly targeted savings. This amendment is a blunt instrument and I do have some reservations about the impact. Members may have noted the comments on Amendment 9 and the commitment to provide resources to the group of Assistant Ministers who are continuing to look at efficiencies but, more importantly, for savings ideas to brought to the States for discussion and approval and I sincerely hope those commitments will be reiterated today by the Chief Minister and the Minister for Treasury and Resources. I do welcome the views of working across the Assembly with the Council of Ministers, with the P.A.C. and other members to identify further savings and we have to do it. There is no question about it. Now, make no mistake; I have extreme reservations about the future indicative trend in expenditure, the long-term trend. If we are to make more meaningful savings, they have to be targeted. The States as a whole must buy into them and must show the determination that is likely to be required. In my view, the Council of Ministers does need to understand in no uncertain terms that the present level of expenditure in the current circumstances is unacceptable. We cannot expect the public to accept the policies which are going to accept their pocket if we do not fulfil our part of the bargain. The Council of Ministers needs to understand that if the indicative expenditure forecasts do not improve then the impact upon the next Business Plan could be severe. The message must go out that departments have to budget for less money in 2009, in my view, rather than next year, in 2008. I believe that was also inferred by the Minister for Home Affairs, in that they need to start preparing for this now. Equally, in my view again, departments must start reassessing their strategies and their priorities and I hate to use the expression “back to basics” but can we stop adding to the new ways of spending money at the moment? Can we, whether it is us as an Assembly - and we do share part of the blame - the Council of Ministers or the officers of the departments reconsider whether, even if an item is in the budget, do we really need it? Whether it is some nice new piece of equipment, new cars or some nice new service; reconsider it and re-evaluate it and, please, reject it. Do not spend the money if we can avoid it. We really need to have the culture of continually seeking ways to reduce expenditure and of continually striving to be more efficient. It is in all of our interests that it is only once we have saved the money, that perhaps we can then properly fund those extra benefits that we should be paying for, for that will make life that little bit more comfortable for those who need or even for those who deserve it. Also, it is about ensuring that by saving the money, our people will not be paying, and I will say it, even more tax. To an extent, I do not really care how we benchmark against other economies. The USA has probably one of the largest, most technically developed armed forces in the world and, equally, one of the largest deficits. To me, it is about being as efficient as possible and then saying: “We have done our bit. We have gone as far as we can and we have been seen to have done our bit.” We have to balance the books first but that does need to be through properly targeted, properly considered savings rather than just a shotgun approach. I, therefore, accept the need to give it one more year. Accordingly, Sir, I will not be supporting this amendment.

1.8 Deputy G.W.J. de Faye:

If it was the case that Deputy Ferguson was sending a message to States' members and the Council of Ministers, I too would welcome the message, albeit that I would have liked a little more notice of the message. However, this is no message. This is an amendment to the Business Plan with a significant impact. But what short memories we have, and we are representatives of the public and the public also have short memories. We should put the current Business Plan and the current strategic plan into context. This Island, as Senator Syvret, I think, so clearly outlined, has probably the lowest level of taxation in respect to G.D.P. on the planet; low, low taxation. Indeed it was perhaps only a matter of 10 years ago when, roughly speaking, about half of the Island's population, due to generous allowances, did not pay any income tax at all. That is the historical context. We will then remember that things began to change and there was worry on the horizon. International competition was growing for the financial services industry, other significant locations saw the benefits of offshore finance and, accompanying that, were new concerns about regulatory procedures; bringing again concern to this Island and its key industry. Banks began to leave Jersey and go elsewhere, our economy and lifestyle was fundamentally threatened. But, as we all know, a fiscal strategy was developed and put into place almost in its entirety, there are still a number of building blocks to go, and what a different picture we see today; so different that we have all forgotten what happened just a few years ago. The economy is booming, the financial services institutions are once again queuing to get their place on this Island, Jersey's reputation has never been higher, things are well. But things have changed and I was interested to hear, in Deputy Ferguson's opening speech, which has been applauded by many, a statistic that, on the face of it, sounded pretty impressive. Over the last 10 years States spending has increased by 96 per cent while RPI (retail prices index) has only increased by 46 per cent over the same period. On the face of it, pretty shocking stuff. But, of course, over 10 years things in Jersey have changed very dramatically. We have new institutions like Jersey Finance. States' members recognised that as well as backing its other industries - tourism and agriculture, as examples - it was sheer folly not to have similar support for Jersey Finance. Jersey Finance, indeed, has been a great success but an increase in government spending; not, I should say, linked to RPI. Similarly, we have seen the advent of the J.C.R.A. (Jersey Competition Regulatory Authority); more institutions that need to be serviced, potential increase in government spending but it has had its impact. Members only need to occasionally pick up copies of the local media to see the new low rates, for example for the new mobile telephone companies that have come to the Island. J.C.R.A. has had beneficial impacts that, in my view, far outweigh the costs of its introduction. We have seen changes in policies which required employment of new personnel. A smoking control officer; 10 years ago one would not have dreamt that we might need someone employed by the States in that role, it would have been virtually inconceivable. But now we have the smoking control officer and I wonder how many Members now think that is a terribly bad idea, but it added to States spending. We can go on. Unexpected increases in student grants imposed by the U.K. Government, an outside authority, beyond our control. So I say to members, it looked like a pretty powerful statistic when introduced, 96 per cent increase in States spending in 10 years, RPI over the same period 46 per cent. But it is comparing apples and pears and simply not accepting the genuine and real changes that have taken place. Now, I am entirely sympathetic with the notions of reducing government expenditure. Indeed, it was almost four years ago, probably roughly to the month, when an intrepid and very much a minority group of the States - the Connétable of St. Helier, the then Deputy Dory and myself - who were all up on the crows nest at the top of the mast of the Titanic warning all of you who were there then - and I hope that some of you who are here now might have been listening at the time - that we were driving into this iceberg of uncontrolled expenditure. We had to get a grip early on, the sooner we got a grip on expenditure, the better for everybody and the warnings were issued. Well, I have to say how gratified I am now to find that so many of us are crowded into the crows nest on the Titanic and the bridge now seems to be remaining virtually deserted. Indeed, it could be argued that I have gone down the ladder and that I am now on the bridge although I would

largely refute that view. But I do agree with the sentiments that where we can cut costs we should, where we can find creative ways of doing things and, what is the new phrase we have: “Do it better, simpler, cheaper”; a mantra that is now almost in a robotic way thrust through the entire States’ machine, as some people have it come up on their screensavers on a daily basis. Of course, I support that approach but there are ways of going about it and my fundamental issue here with this amendment is that I believe it is entirely inappropriate to simply bottom-slice budgets on a pro rata basis. It is not a sensible way of doing things. There are clearly likely to be impacts but, as I now say fairly regularly, there is more than one way of skinning a cat, though that is not a personal practice of mine. Deputy Ferguson suggested to the States there were only two answers: taxes up or cut spending. I have to tell the Deputy she is not entirely accurate. There is the third option, which is the balanced one, which is you do not put taxes up so much and you do cut spending but not by as much. It is a balanced approach and I have to say that I think the Council of Ministers has achieved a very balanced approach to running early policies and objectives as laid out by the States. It is a fine balancing act that has to be undertaken and I will come to that in a moment because the alternative to the fine balancing act is rather more dramatic. Now, some members have accused Ministers of shroud-waving, tugging at the heartstrings and one member in particular, I believe, accused me of attempting to cancel Christmas. Now, I have to admit that Alan Rickman is one of my favoured actors and one of my favourite lines in movies of all time is in Robin Hood where Alan Rickman, portraying the role of the Sheriff of Nottingham in the face of rebellious peasants, does turn around and say: “Right, that is it; Christmas is cancelled.” That, I wish to assure members and any one of the listening public, is not my intention but I have to say that when faced with an amendment like this at short notice and my department is asked: “What cuts can be made to achieve these types of savings within a short period of time” the reality is that you will get what is feasible in time to be in place for the demand and you are going to get some unexpected results. I will be blunt. At the top of my list was the Christmas lights. Why the Christmas lights? Because if we are looking at priorities, Christmas lights are a nice thing to do but they are not a necessity. They are not like recycling. They are not like ensuring that we can keep the buses running at low fares. It is a different order of priority entirely. Now, do I want to put that forward? No, I do not. But if I am being asked to cut hundreds of thousands of pounds from department budgets, I have to make choices; choices between things that I think would be regrettable, like compulsory redundancies when the States, in my view, as a model employer should be looking first at natural wastage then voluntary redundancy and then, as a last resort, compulsory redundancies. Let me take this opportunity to remind members, when you have compulsory redundancies, as some of the options before me may well require to be undertaken, you have to pay cash to ensure that redundancy takes place and I do not have that cash. I am being asked to make the savings, compulsory redundancies would be one option, but I do not have the cash in the budget to pay the redundancy money. Plus, is it right that we go down that road in the first place, particularly when there are other ways of approaching it. I believe the States is a model employer and we should maintain the position of compulsory redundancy as a last resort. I do not wish to be put in the invidious position by discovering the full impacts of this amendment and finding myself affecting the lives of our dedicated workforce at Transport and Technical Services, people who already, because of imposed restraints and cuts, work very hard. Now, I have to say, and I hope I can engage the Connétable of St. Peter here, we should just dwell for a moment upon football. It is topical. It is a wonderful game, I am told. It is always in the news. It is followed around the world, by satellite television, by hundreds of thousands, not to say millions, of supporters. I know that many of the more testosterone-driven, male members of this Assembly will know, as I am sure the ladies in their role as frustrated football supporters’ wives will know, that one of the favourite topics of team supporters is the armchair team selection discussion. Who would you have in the team? Who should be dropped? Who should be put in? Who should we like to have on transfer because he had a brilliant game in the European Cup only last week? But let me just use that analogy to really put forward this position. We have ministerial government now. You voted and entrusted to 10 of your colleagues the responsibility for carrying ministerial government through. I have to remind you, on

the back of that football analogy, it is a lot different to being in the armchair at home watching the game and having your own views on team selection compared to having to be out there on the pitch playing the game, which is what Ministers do. It is a different ballgame, just to combine the analogies. I think that we need to understand, and what I do understand from the P.A.C. amendment, is that we are looking at not a message but a bit of a complaint from States' members and I think probably an entirely justifiable complaint. As we proceed in the early years of ministerial government, what we are discovering now, and are going through over two days, is we have discovered a flaw in the current process. What we have discovered is that members are becoming increasingly dislocated from the decision-making process and are not enjoying that position. I am entirely sympathetic because it is one thing when you are a Minister and I can clearly see it is another thing when you are not and I fully understand it must be extremely frustrating. States' members are not being involved enough. However, let us not forget the fact that one of the reasons of creating the ministerial government was to accept that States' members would not be involved so much, but clearly we do not have the balance right and I think we need to look at the entire process. I do not see this and it is a shame if it is portrayed in the media as some clash between ministerial government and the rest of the States Assembly. I do not see it in this way at all. What I do see it as is as a straightforward disconnect and it was inevitably going to happen. In the old days of presidential and committee government almost, and I think probably to a man or woman, every member of the States would have sat on a committee of one sort or another and, as a result, every member of the States would have had an insight into how a particular department worked, would have had an understanding of the budget process for that department and would have had an insight into the administrative and executive difficulties of executing the policies and strategies determined in this Chamber. Now that has all changed, in fact I have heard in some speeches Ministers saying to members: "You will remember when you were on the Housing Committee." Well, some will but, as we progress through elections, there will be more and more members coming into the States who will not remember being on the committee because it just simply does not happen any more. I think that we need to reflect on this and have a look at the structure and assess whether we can find a better way of carrying out the Business Plan because the way we are doing it at the moment is entirely unsatisfactory. It is quite ridiculous that we sat here and debated every single department's budget and then, at the end of all that debate and when in fact there were very few amendments, although lots of questions and ideas and valid critiques; at the end of that entire process where we have gone through every department individually, we then end up in this position where we are suddenly being asked to take an axe to the whole thing. So where we would have had our rosebush and could have done some sensible pruning on the way, instead we are now whacking an axe out and chopping the thing off almost at the roots and saying: "There we go, £2.5 million has to come out and, by the way, it is executive government so the Ministers can go away and work out how it is going to be dealt with." I find that entirely unhelpful because it is going to create enormous difficulty over a very short period of time. Clearly a pro rata way of doing things is simply not fair. I cannot suddenly just change the flow of the sewerage works. I cannot ask people to stop dumping less rubbish for a while. I have things that just keep running along and require servicing. It would be wonderful if we could just turn the tap off a bit so we can cash up but we cannot. In fact it is the other way round. Half the time my incinerator is conking out and I am having to bale rubbish and store it for future burning. Now, I can assure members that is not just turning a tap off; that is a costly, additional and expensive alternative. No, we do not need to do it that way. We should not do government this way. What we should do, and I hope that we will and I have been calling for it for a long time, is to establish priorities. If this amendment had been accompanied by some key priorities or suggestions as to where the cuts should come, it would have been a lot more helpful than just, as I say, bottom slicing. If we wish to make cuts, we should understand very clearly what the priorities of government spending are. We have heard in the Chamber already this morning on the one hand the Education Minister talking to us about should music lessons be free, should young children be learning to speak foreign languages, should young children be learning to speak Jèrriais, our own language, and here am I

saying: “I have sewerage works to run, more road building, maintenance required” and so on and so forth. We could carry on. Every Minister could stand here and give this Assembly chapter and verse on what we think the priorities are. Do I think that resurfacing roads is more important than music lessons? Well, probably I do. I happen to be a fundamental believer in getting our infrastructure sorted out as a priority but what are our priorities? I have to say that, until we know that, we have to put our trust in the Council of Ministers who have done the very best job that the Council can to achieve what I described earlier as the fine and difficult balance between the amount of money we have coming in and the amount of expenditure that is required. I believe, and I say this now, the Council of Ministers has done a fantastic job in producing this Business Plan. It is a fantastic job to maintain as many of all the varying demands that have been placed upon public expenditure - as States’ members have approved, may I remind the Assembly - and progressed things to where we are. Now, if we are going to fall out over £12.5 million, so be it. That will be what will happen and pressures will be put on various departments, probably on a pro rata basis which I say is an unfair way of placing pressure on departments. I hope that Members will understand that the message has been sent that I think, and certainly for my own part as a Minister I accept, that we need to have a greater level of involvement by all States’ members at an earlier position in the process and that we should also concern ourselves with priorities across the board rather than simply accepting budgets, budget by budget. But I do urge Members not to support this amendment because it is the right amendment in some respects, in terms of sentiment, but it is the wrong amendment in terms of effect and it is the wrong amendment in terms of timing.

The Greffier of the States (in the Chair):

Before calling the next speaker if I could just say there are quite a number of members waiting to speak, so if anybody has indicated a desire to speak and they have not been called it is simply that the list is quite long. The next on the list is Deputy Fox.

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

When I first read this Public Accounts Committee amendment my immediate thought was of the roadrunner “beep-beep” and off we go and he gets flattened and squashed because we are in an extreme hurry. The principle is extremely good but “beep-beep”, it is too fast to do at this moment in time. As an Assistant Minister of Education, Sport and Culture one tries to influence one’s Minister but on the other hand there is a lot more influences in a huge department of ESC than what an Assistant Minister can do on his own. It takes a lot of other influences and the influences come from not only within the various aspects of the department but it also comes from the public outside; it comes from the Scrutiny Panels, it comes from P.A.C. and in fact at the moment we are being reviewed as to where or if savings can be made and the best way in which to do it. What I want to say is in the world that I come from you have to look at the overall package of things. In the U.K. Parliament some 10 years ago they were talking about “education, education, education” and it is a very good point because it covers the whole aspect of life, those three words. Education provides the quality of life, it provides the extra skills in the workplace, in the way that we bring up our families, we support each other, et cetera, but education is also there as a safeguard, if we spend time educating in the proper way, and sometimes it takes longer than others. It makes the society we live in much more safe than otherwise and we read about the unsafe places all over the world and especially in the U.K. Generally speaking, we live in a very nice, safe society. Education also, which the Home Affairs Minister will keep telling us, and rightly so, means that we have to educate the people that are either less fortunate or have fallen into criminal ways and we want to ensure that, in the long term, they do not continue on that route and fall into the habits of drugs or whatever. Education is also all about looking after ourselves, preventive issues, and health is a prime example. My father always talked about: “Society will look after us. They promised to look after us from the cradle to the grave.” In 1948 that was quite right. The new government did come in and say: “We will look after you from the cradle to the grave” and gave you a pension at 60 for ladies and for men they gave one at 65. Unfortunately, looking after you from the cradle to the

grave was correct because your expected length of living was 59, so in fact they were not giving anything away. So here I recognise the warnings signals that are being said to us but I agree with the Connétable of St. Ouen; it is something that, if we act upon it through to the letter of this amendment at this moment in time, all the things to fulfil that will be detrimental to the Island and it will have a detrimental effect. My Minister talked about the various things that have been portrayed that would be done or would have to be seriously considered and implemented in order to achieve it. He could have equally said: "Well, we will cut out Fort Regent." That would have been less painful for Education, Sport and Culture, I would suggest to you, because it would not effect so much our commitments that we, compulsorily by law, have to do. It would have probably less impact on the public who will not like many of the other things that are contained in here. In fact, we are going to be dealing with an amendment shortly where there is inequity in the system and we are trying to bring back equity into the system. So it is not as easy as that. It needs all of us to work together and that is not only within this House; that is within the departments, within the public and private sectors and within the Island as a whole. Yes, P.A.C. is right to bring this to our attention but it is something that cannot be fulfilled within the timescale that we are being asked. Yes, there are things that are affecting us which has caused much of this problem; the Zero/Ten, the higher education fees, many of these things have already been discussed. But to work together in the next two or three years is probably going to have a better result than if we following the proposition at the moment. Therefore, I cannot vote for this particular amendment but I understand where it is coming from and hopefully we will work towards a proper amicable solution. Thank you, Sir.

1.10 Deputy I.J. Gorst of St. Clement:

I am sure that you have no vices. Unfortunately I, like probably some of the previous speakers, do. One of my vices is the love of cakes and pastries and puddings. In fact, when I am on holiday I can hardly walk past a shop without being tempted to buy one and eat one. Sometimes when one buys a pastry or a cake, it is absolutely satisfying and one leaves feeling that that was a great purchase and is encouraged to do it all over again the next day. Sometimes when one buys a cake, it looks appealing and attractive in the window...

The Greffier of the States (in the Chair):

Sorry, I must stop you, Deputy, because the States are without quorum if there are 26 elected members present and one member who is en défaut.

The Deputy of St. Clement:

Sorry, Sir, I did not realise I was being so boring. [Laughter]

The Greffier of the States (in the Chair):

I call that members be summoned. Very well, he may continue. Please continue.

The Deputy of St. Clement:

Thank you, Minister. As I was saying, occasionally one will go into a shop and see a cake which looks very attractive and appealing; it might have icing on the top. But, unfortunately, as soon as one bites into it, one realises that it is quite dry and one wishes that one had not purchased or eaten it in the first place. Why do I mention this particular vice? It is because I feel that I have had a very similar experience when I read this amendment. On the surface it looks attractive and appealing. There is an inference in this amendment that a reduction of £12 million in States' expenditure can be carried out without harm or without pain to public service delivery. Is that really the case? I find myself in a very difficult position because I firmly believe that government expenditure must be controlled and that inefficiency must be removed but, having affirmed that, I am left today with a problem. Whom do I believe? On the one side it appears I have the Council of Ministers and, if the Deputy of St. John is to be believed, they are joined now with the IOD saying that we cannot cut and that this expenditure is all absolutely necessary. If we do cut, jobs will be lost. On the other

side we have the P.A.C. and the Chamber of Commerce and now, it appears, the JDA (Jersey Democratic Alliance). They tell us that we can cut £12 million and that we will not miss a beat. I feel as though I have entered topsy-turvy world. The reason I find myself in the middle is because I am finding it difficult to be convinced by either argument. Several members in favour of this amendment have provided what can only be described as anecdotal evidence of where they believe efficiency is and where they believe fat remains on the bone. I cannot comment on all that anecdotal evidence. However, I would address one point made by the Deputy of St. Ouen yesterday - and I am sorry that he is not here to answer me - and that is that, with regard to the pay awards, the award for last year was paid from the budget allocated to that period. It has not been carried forward into the 2008 Business Plan. I can categorically say that I know for certain that that piece of anecdotal evidence is inaccurate. Yesterday, the Home Affairs Minister outlined, and has recently outlined in the press, the struggles that she is facing at the prison and the extra money that she requires and yet I also know, on the other side of that equation, that there has been in the police force unplanned expenditure on cars. We now hear that the Assistant Minister for Home Affairs would like also to expend further monies on tasers. So you can see, Sir, that I was and have been somewhat confused and frustrated. I was not sure if I was eating cake, pigging out or going on a diet. Where does this leave us? I am not sure that either side is being 100 per cent accurate. If Amendment 9 is approved, will it cause the closure of a hospital ward? Will it cause the stopping of Christmas or at least the Christmas lights in town? Unlikely. Will it result in no service cuts whatsoever? Again, Sir, I say unlikely. It is therefore from this position that I, along with Deputies Le Fondré and Maclean, have had several conversations through this last week with both the Chairman and Vice Chairman of P.A.C. and the Chief Minister and the Treasury Minister. Let me say at this point categorically, for the record, that I do not believe that the current level of spending, in my view, can be maintained or is sustainable, either in the medium or the long term. In fact, I am not sure it is sustainable in 2009. We are probably, and I use the word “probably”, at the top of the current economic cycle which may or may not last for a number of years longer. The problem with knowing whether it will last or not, Sir, is that economists are rather like lawyers; you put two of them into a room and you have three different opinions. However, I have reached the conclusion that this is such a crucial issue that it requires a calm, balanced and, most of all, honest and open political debate. It is not an issue with which we should be playing politics. I believe that what is needed is a proper review body, which needs to include States’ members and members of P.A.C., and it needs to have power and, importantly, resources from the States Internal Audit Department. I believe that the resources required will also be financial to allow the employment of independent advice. In fact, Sir, I have already spoken with a locally based consultant who has experience in doing this sort of work, analysing large corporations and looking at their processes. Members have said that the States is not a business, and with that I agree. This local consultant also has offices in the U.K. and they have experience of business process re-engineering in local government in the U.K. and I would ask that the Chief Minister, during his speech, gives a clear undertaking that the Council of Ministers will provide resources and support for such a group. It is, to my mind, imperative that this Chamber makes decisions about where savings can be made and about any changes to services or service delivery. Sir, I for one do not want to see any more overseas aid or Christmas bonus incidents, which I believe is what might happen if this amendment were passed today. Therefore, I ask all those members who are convinced that they know where savings can be to put their money where their mouths are and reject this amendment and join with me in an open and honest debate about what type of government delivery we want. Thank you, Sir.

1.11 Senator F.H. Walker:

I share the acclaim for that last speech. Sir, I think that this is one of the most important debates this House has had in a very, very long time and I certainly believe that this is one of the most important speeches that I have made for a very, very long time. I hope that members who may be minded to support the P.A.C. amendment will at least be prepared to listen to a number of the facts, and this is not Council of Ministers spin or anything like that. These are hard facts, much of which is in front

of members already. I do think this is a well-intentioned amendment but, sadly, it is entirely undeliverable. It simply cannot be delivered in the way in which it is proposed. The origin for it, as I understand it from the Chairman of the P.A.C. and from the Deputy of St. Ouen, is that the original figure, the figures shown last year, for spending in 2008 has now risen quite significantly and what P.A.C. want to do is take us back to the original figure. We debated that in a meeting; the Treasury Minister and I, and the Treasurer debated that with Deputy Ferguson and the Deputy of St. Ouen just last week. So that is the origin for this amendment and I accept that having come forward with one figure last year for 2008 spending and now having a higher figure does not look good. It does not look good and, on the face of it, it is not good but what we need to do, and frankly what P.A.C. should have done, is delve a little deeper into the underlying reasons for the difference. Sir, that is exactly what I would propose to do now. Firstly, we budgeted a level of inflation based on the current level of inflation at that time. What happened to us was that the Bank of England ... well, not the Bank of England but the monetary committee, entirely beyond our control, put in interest rate increases, and we had a number of interest rate increases, which forced our RPI higher than we had budgeted; and I repeat, over which we had no control whatsoever. Now, we should benefit from that hopefully next year because the trend looks as though base rates are likely to come down which will be helpful, but it hit our figures very severely for 2008. Nothing we can do about it except perhaps make cuts to compensate for the difference. Now, the principal effect of an increased in RPI based on base rates is two things: wages and benefits. Now, I do not imagine that any Member is suggesting that with an RPI of four per cent we should only increase benefits by 2.5 per cent but if we were to keep expenditure, on the back of RPI increases, down that would have been one of the things we would have had to do. I doubt if any member would want to go there. Similarly, Members may recall the furore that blew up over nurses' pay, when nurses refused to accept the pay deal that was on offer. Now, where did the Island fall then? Where did members fall? Where was their view? Was it in favour of keeping nurses' pay down or was it in favour of supporting the nurses? Well, I can tell you it was comprehensively in favour of supporting the nurses. It is not only nurses; I am not pretending it is. So our pay had to go up because inflation was considerably higher than we had been budgeting and for reasons totally beyond our control. Now, that is the first element. Now, the second element and the second reason why expenditure is higher is referred to in a list of service charges. Firstly, health and social services: real growth £3.4 million. States' decision, a long-standing States' decision that health budgets will grow at two per cent real per annum. Council of Ministers had no say in that, support it but it is a States' decision. It is not Council of Ministers inspired. Supplementation: there is going to be a lot of criticism of supplementation but the increase in it is costing us £3 million. Now, supplementation is there to support the low paid people's pensions, no other reason. But do members want to stand up and say: "I want to take that away"? I am not sure how many would want to do that but, in any event, so far as the Council of Ministers is concerned, it is in the law. We have no choice. It is the law. We cannot do anything about it, so there is another £3 million. Income support, mitigating the effects of G.S.T., States decision and does anyone want to stand up and speak against that? In other words, we remove the lifeline we have given to the less well off on the back of the introduction of G.S.T? Now, who is going to stand up to the public and say: "I am in favour of that"? Not many I do not think. The prison and the field squadron, look at the headline of the *JEP (Jersey Evening Post)* of a couple of days ago: "Prison's appalling lack of resources." We are not investing enough in the prison, that is very clear, and the Home Affairs Minister has on many occasions made that point, most recently this week and the week before. Now, do members want to cut - cut as opposed to increase - the investment in the prison? I doubt it somehow. Overseas aid formula: well, I know to my cost what happens if we try to propose a change to that. It is a States' decision and members made it abundantly clear there is no way they are going to cut the increases, reduce the increases, in overseas aid another £1 million. Winter fuel, third party planning appeals, fifth Scrutiny Panel; all of them States' decisions; nothing to do with the Council of Ministers; States' decisions. So the Council of Ministers are honour bound to find the funding for them. We have no choice at all. The actual contribution of the Council of Ministers to the 2008 cash limit is a reduction of £3 million. A

reduction, not an increase; a reduction of £3 million; £2.4 million in efficiency savings, £884,000 in other departmental savings and the only service increases the Council of Ministers have proposed is additional childcare support of £200,000, that is all. That is the only part of this increase that is Council of Ministers directly inspired, £200,000. Again, who would want to argue against that? Is any Member prepared to stand up in public and say: "I am against the additional childcare support"? I doubt it. I doubt it very, very much indeed. Sir, it was mentioned yesterday by Deputy Ferguson that staff numbers have increased by, I think the figure she used was 160. [Aside] Well, even better. Even better, because I can inform the House, Sir, that of that figure 48 was a swap involving Harbour staff. So it was out of one pocket and into another. It was not additional staff at all. It was a way they were accounted for.

Deputy S.C. Ferguson of St. Brelade:

With respect, if I could clarify that. Those figures are the figures given in the large annex to the Business Plan and the net figures have been netted-out, in fact.

Senator F.H. Walker:

I am sorry, that is not the case. There is a swap of 48 from one pocket to the other and, of the other increases, 90 per cent were either nurses or prison staff. Now, do members want to stand up and say they are against more nurses; on the back of the publicity we have had recently, they are against more prison staff, because that is the effect of supporting the amendment. Those are two of the effects but there are quite a few more. Sir, let us look now at the actual cuts that have been proposed by the amendment, by the Public Accounts Committee. Let us look at the cuts, £12.425 million: £2.4 million off Education, £3.7 million off Health, £1.1 million (rounded) out of Home Affairs, £3.4 million out of Social Security. Now, P.A.C. will argue: "Well, of course you can juxtapose, you can juggle the figures or whatever" but of the £12.425 million of savings, that equates to £10.5 million. £10.5 million out of £12.4 comes from the four key frontline, social providing committees. Is any member going to stand up and support that when the reality dawns on the public of what we are really looking at? I do not think so. Now, the president of the P.A.C. will probably say: "Well, you do not have to take it from those budgets. You can take it from elsewhere." Well, I invite members to have a look at the size of the other budgets and to look at the effect of taking £10 million out of them. You would end up closing departments completely, not just one but a number. I just cannot be delivered. Well, it can with the most fearsome cuts in social services, frontline services supporting the less well off, the ill and the underprivileged. Yes, it can be delivered if members want to stand up and say: "I support that type of cut." Now, this is not shroud-waving. That is a careful analysis of what people are proposing and its consequences. So we were told yesterday by Deputy Baudains we should protect the weak from the strong. Well, if that is how we go about it in supporting those sort of cuts on the back of this amendment, I have a completely different idea to Deputy Baudains about how we go about protecting the weak. We were told by the Connétable of St. Peter this morning we should act in a responsible manner. Now I would ask him, Sir, through you, does he really think that making those sort of cuts in our frontline services, hitting bang on, not the wealthy, not the middle ground, but the aging, the ill and the underprivileged, the low paid, does he really think that that is acting in a responsible manner? Because again, I am afraid I differ very seriously from that point of view. Sir, can I make the point this is not a book exercise. It is not just a matter of accounting, not a matter of saying we do not like that figure we will reduce it to this figure. This is about real service delivery and about real people - the people I have just referred to. There are consequences to supporting this amendment. There are very, very serious consequences indeed and members cannot escape that fact. They cannot just say: "Yes, we can afford a £12 million cut, we can afford it, we can find ways." It is not true. There will be serious, serious consequences and if members think the public are putting us under pressure today to reduce expenditure, I invite them to think about the future if these cuts are introduced because the public reaction will be 10 times and more anything that we are facing today. It will be quite extraordinarily strong. I have already said, Sir, if members think this is acceptable they should

then be prepared to stand up and face the public and say so. Because we cannot have it - no one in this House - can have it both ways. We simply cannot. It is defying gravity or trying to. Sir, I will briefly refer to Deputy Southern's speech of yesterday which, I have to say, not only astonished me but astonished a lot of members in the suggestion that he was quite happy to support... well, gave an indication he was likely to support the amendment even though there are the sort of consequences to the people he puts himself forward as being the champion of. I just do not understand it and I would also - it is a shame he is not here - point out, Sir, that not only Deputy Southern, but Deputy Martin as well have voted in favour of all the propositions that have come to the States in recent months which have increased our spend. Again, we cannot have it both ways. We cannot go on adding to our spend on the one hand and slashing it on the other. It is just not compatible. It just does not work. I mean, it is not just an opinion, it is an absolute impossibility. Sir, it has been suggested that one of the reasons for needing these sort of cuts is that we have a structural deficit in our forecast from 2013 onwards. Well, yes, Sir, that is absolutely true but I would point out and I go back to something I said in my introductory speech, we are achieving a remarkable financial result here. Because of the Zero/Ten policy and I hope that no member will want to face up to the consequences of not introducing Zero/Ten because the consequences for everyone in Jersey of not introducing it do not even bear thinking about in terms of our tax revenues and our ability to fund services, on the back of that, which is going to cost us circa £90 million in lost tax revenues, to be able to be in the position we are in without resorting to the strategic reserve in any shape or form whatsoever - and again I will remind members that, in the similar position, Guernsey are planning to spend or use half the capital in their strategic reserve. We are not even planning to use the income. If we did use the income, none of the capital which had no structural deficit, it would go because it almost balances out the income and the forecast structural deficit are just about exactly the same level. Now the strategic reserve is there to help us through a serious economic hit. Well, if £90 million in our tax revenues is not a serious economic hit, I really do not know what is and yet we are able to manage our way through that without even proposing to use it. But we could use it if it became necessary. We could, it is there to be used in exactly these circumstances. A fantastic achievement, but we are not planning to use it. But if we had to fall back on it then we could and of course we will. The structural deficit as shown in the forecast would disappear precisely at that time. Sir, Deputy Ferguson, the President, mentioned that if this was policy, it was a new policy, not true, because that was approved by the States; the use of the income from the strategic reserve was approved by the States if necessary in last year's budget. So again, it is totally consistent with States' policies. Sir, the other thing I would say, and I am sad that this is the case, but there has been no approach from P.A.C. to the Council of Ministers to sit down and talk about how savings can be achieved. No approach at all. From a standing start of nothing basically, we go from that straight to this very, very harsh, unworkable, undeliverable amendment. Sir, I would just mention that P.A.C. was set up to undertake reviews of and to report on the efficiency of departments and I could quote, but no need I do not think, from their terms of reference. Where are those reports? Where are the proposals to create greater efficiency? Where has the discussion been with the Council of Ministers on the back of the work? I am not aware, perhaps the President will correct me, but I am not aware of any such reports and I am not aware of any such communication or contact. Again we go from nothing straight into this amendment which I do not think is the way to proceed at all. The other bottom line, Sir, I would point out is that the States have spent quite a long time this week agreeing the objectives of all the Ministers. If we approve this amendment those objectives simply will not - it is not a question of cannot, might not - will not be delivered. Now where is the consistency in that? On one day we agree objectives, the next day we agree an amendment which makes those objectives impossible to deliver. What is the public reaction going to be to that? Yet again the States do not know which way they are going, which way they are facing, do not know how to conduct themselves. Sir, can I emphasise again that the growth in the objectives is all about reinvesting the savings that have been made - more of that in a second - in Health, Home Affairs and Social Security? Again, does any member want to stand up now and say that those objectives are wrong? That we are wrong to invest in health growth? We are

wrong to invest in social security benefit growth and protection to the less well off? Well, again, I very much doubt it. Sir, the Council of Ministers have done a huge amount in terms of making efficiency savings in every single department including Health, Social Security, et cetera. But I accept fully that that is not the perception. I accept that fully. The perception is that we are spending money like there is no tomorrow and we are spending too much money. So how do we move forward from this point? Well, I just digress just a little bit for a minute. It has been suggested by a number of members - and again I will come back to it in probably a more positive way in a second - that we should have independent service reviews. Well, I will just quote a little experience of mine which is probably the worst experience in monetary terms I have had as a States' member the worst thing I have ever been responsible for. As President of the then Establishment Committee, I introduced a series of service review into all our major spending departments. These were not internally conducted, they were conducted by people like PwC (PricewaterhouseCoopers), Ernst & Young, Deloitte, et cetera. Very highly qualified professionals with a list of similar consultancy projects as long as your arm. The result; it cost hundreds of thousands of pounds and yielded nothing in savings. It was the most awful misguided proposition I have ever supported or introduced. It was terrible. Now people have said: "Well they must have been seduced or something by the chief officers." Well, all I can say is, these were top line world class professionals and they failed to come up... I thought in my wisdom - or lack of it as it turned out - that there were tens of millions of pounds of savings to be found and these people were ideally suited, if anyone could, to find them. They did not. It cost the tax payer hundreds - I think it was about £800,000 at the end of the day for nil return. So I do not want to go down that route again, that is for sure, because I do not want to repeat that folly. But, Sir, the problem we do have, and I accept it and other speakers have said, that for whatever reason there is a lack of trust currently in the Council of Ministers' will to control expenditure. Members have come to the view somehow or other that we are not really serious about cutting and controlling expenditure. It is not true, absolutely not true but that, I accept, is the perception. I agree with earlier speakers that this probably emanates from a lack of involvement by States' members generally in the spending process. But I did think, I have to say, Sir, I did have a wry smile when we were criticised for the Cavern. I thought that was stretching things just a little bit far, I think it predated ministerial government by the odd month or two. I thought that was stretching things a bit far as an example of the way we govern ourselves today but there we are. But, Sir, we do need to move forward. This proposition, this amendment is absolutely not the way to do that. It is unworkable. But we do need to move forward. We do need to convince members and we need to convince the public that we are indeed serious about controlling our expenditure. That will only happen, not by bringing amendments such as this to the House, but by everyone concerned working together in co-operation. I know the *JEP* love it when I say I am sad, but there we go. I am sad that that has not been the case and we are faced with this all or nothing amendment today. But it is also important that we not only work together and co-operate together, but we are seen to work together in a transparent, open and so far as is necessary, independent way. Now the Council of Ministers has already, and I accept that this is almost lost now, it just does not seem to feature in the thinking of many members and the public, we have saved £35 million, we are saving £35 million each and every year. In total, since the exercise began, since ministerial government was introduced, we have saved over £100 million and there is more to come. But we have not convinced the public, never mind members, we have not convinced them that that is what we are doing and that is a failing which we have absolutely got to address. The Council of Ministers is also already supporting three Assistant Ministers, there is Deputy Maclean, Gorst and Le Fondré in their own review of our spending and we have promised them the services of the Chief Internal Auditor for next year. Now what they have said more recently is that they need an independent level of support, someone - and Deputy Gorst referred to this - from outside the States completely. Not a problem. We will provide that support to them. So straightaway there is an independent element to help them in their work. But we have already supported them in that work. We have already asked the Chief Executive working with the Corporate Management Board to do their own top to toe review. We have said: "It does not matter what the political consequences of

the cuts are, you need to tell us every single place in which a cut can be made. Let us worry about the political consequences but you need to tell us where any and every cut can be made.” That work is already underway. We have the Comptroller and Auditor General undertaking reviews, fully supported by the Council of Ministers. But it is still clear that we have not got that message over and that many people believe we are not serious. Many people believe we are more interested in protecting our spending rather than making sure we are spending it appropriately and effectively. As I have already said, that is not true, but that is the perception. So what we need to do now, Sir, is pull all this together and show conclusively that we are pulling it all together. So I will make two, in fact three commitments to the House this morning. The first is we will support and we will introduce an independent individual or indeed a body to supervise the other work that is going on and to report on it... oh, grief! Sir, I am sorry, I seem to have had a minor technical disaster. I will continue but if members will look away, I would be grateful. I have lost a tooth. Oh, and nobody hit me. **[Laughter]** Sir, we will introduce an independent individual or a body to supervise and report on the various initiatives and to pull all them together. We will ask for members’ approval to how that is set up and structured. So members will have input into how we do that. It will not be a Council of Ministers’ set-up system without members knowing what is going on, I will ask members to approve or not, but hopefully ultimately approve the way forward. So there will be input from members into that and I have already given another commitment, Sir, which was to Deputy Gorst to provide the resources, and I think it follows the first commitment that he requested earlier. That is the way forward, Sir, not this unworkable, and frankly ill-thought through amendment. It cannot - simply cannot be delivered without the very, very serious service cuts that I referred to earlier. This is not a paper exercise. This is not a smack around the chops for the Council of Ministers **[Laughter]** Very well, it is the first time I have had physical injuries. **[Laughter]** But it is not a paper exercise, it is not a slap in the face for the Council of Ministers, this affects people. This affects our service delivery, our ability to support the less well off, the ill and the aging and if people think that is shroud-waving, I invite them to look again at the facts, which is none of those things. It has incredibly serious social consequences and the consequences of it are cuts at a level the public will never ever accept. The backlash from the public after an initial: “Hooray, the States have at last shown they are going to control expenditure.” The backlash from the public in three or four months’ time when reality bites and the service reductions are there for them all to suffer from the reality is that the public backlash will be, I predict, the most severe any of us, as Members of this House, have ever seen. So, Sir, I urge members strongly to reject this amendment, to embrace the commitments I have made this morning, to embrace a transparent co-operative way forward with members’ full involvement. That is the way forward. That is the way we can balance cost reduction against social consequences. That is the way we can work constructively in the best interests of everyone. This amendment is damaging, it is flawed and simply undeliverable.

1.12 Deputy P.J.D Ryan St. Helier:

I do not know if members are familiar with the story of the tribe that lived in the forest. They were fish-eating people and they had unfortunately exhausted the fish stocks in the small lake around where they lived. They felt that they had to go and find a new lake and a new source of food. So they had their council meetings, a bit like the States of Jersey probably, and they decided to go trudging off into the forest to find a new lake. So they started and they had their people hacking away at the branches, and the undergrowth was coming in at them and they went and it took weeks and months and eventually they did not find anywhere else. They knew there was another lake somewhere or a better life somewhere and they were starting to fall out and have fights and things. So the chief of the tribe, probably their Chief Minister, said to the number 2: “Look, you see this really tall tree here? It seems to go above all the other trees. I want you to climb up that tree and look around and tell us where this lake is.” So, he was not too happy about this because he knew that if he got it wrong, you know, he would be in dead trouble and he would probably be the first sacrifice. But however, he went and climbed up this tree and he got to the top and he looked around, all the way round and he called down to the Chief Minister and all of the elders that were

listening and they could not hear what he said. So they said: "Speak louder, we cannot hear you." Eventually they did manage to hear what he said and it was: "Wrong forest." So, in other words, the lesson of the story is sometimes we need to stop, we need to think and we need to look around to see whether our complete strategy is the right one. Members in the business community know this story quite well and I am quite heartened because first of all we had Deputy Gorst saying similar things in a different way and we have had the Chief Minister who has agreed with him. I can see a little bit of light at the end of the tunnel here. Now I am going to come back down to earth, so to speak, and start thrashing around at the bushes and the branches with all of the rest of the workers and the cutters and the people trying to find this path, just for a second, so that it illustrates what I am talking about because I think it is quite important that we do that. The first point I would like to make, Sir, is that there is a certain amount of confusion, I think, in the Minister for Treasury and in the various bits of paperwork. One minute we talk about a financial planning cycle of five years and the next minute we are talking about the economic cycle. Now the two are not the same at all. The economic cycle is to do with the cycle that we all know happens with recessions and inflation and the five-year economic planning cycle really is not connected. It cannot be connected because none of us can see into the future, and I just refer in that context to the problems of forecasting and forecasting accurately. But I will return to that theme, as I will return to the overall theme at the end about seeking a better way. One of the things that we are doing and I think it is certainly the right move is that in six to 12 months' time we will have better, more professional views of where we are in the economic cycle rather than the planning cycle, even the global economic cycle hopefully, and we are going to do that because we are going to employ three people to do it for us, and I think they will be independent and I think that is right. But I would like to just refer members for a moment to the top line of table 12 in the book. The top line is of course the income tax receipts. Now those income tax receipts... page 12 in the book, the smaller of the two Annual Plan books. Now that line is the income tax receipts and they are of course forecasts. I would like to ask members a little question. Where do they think we are? Where does everybody think we are in the full economic cycle? Does anybody know? We do not know, but we can take a little guess. Deputy Gorst has taken a little guess. Deputy Le Fondré has taken a little guess, and I think my best guess at the moment, even though it is a layman's guess, is that we are either close to the peak or maybe even slightly past it judging by the recent events in the banking sectors. I would like to cast members' minds back about a year, a little bit more than a year, and people will remember, I think, that I was successful in persuading the States to remove the dwelling houses loans fund of £32 million from the Council of Ministers' spending plans over the years. I persuaded States members to start the stabilisation fund. But I said in my closing speech - and this is the important bit - that starting the fund was the easy part, the really difficult bit would be topping it up in the good times and, by doing so, resisting the increases in States' spending. The vicious circle of good times, spend more, drive inflation further, have to spend more again on States' salaries to keep up with the inflation that in fact we have created for ourselves - this vicious cycle. So I said then and I say it again, the difficult bit is putting money into that stabilisation fund instead of increasing spending. That, I have to say, Sir, is pretty much exactly where we are today. Well, the Council to some degree, has been lucky because the only way that the Minister can claim to have balanced budgets in his economic planning cycle, his five-year cycle, again nothing to do with the full global cycle that I was telling you about before, but in this planning cycle of five years the only way that he is able to say that we have balanced budgets is because the forecast income tax receipts are forecast to reach the levels indicated. But what happens if they do not get there? History tells us that forecasts can be wrong in both directions, high or low. So I would ask members to try to imagine what that table on page 12 would look like if that top line of income tax receipts and forecasts was in fact lower. Would the net revenue expenditure line further down, would that in fact still be at that level or would it be less? What would we be seeing? Would we be seeing it less? Personally, I suspect we would. Now if the dwelling houses loans fund, that £32 million I was talking about, had that still been included in the spending, where would it be? What would the table look like? Would the spending be even higher? Because there is another £32 million to spend. I ask members, make your own minds up,

would it be higher? There is somehow therefore, there is this thinking that somehow there is a link between our income and how much we should be spending. There is this fundamental assumption that if we can earn more we can spend more. I think that is where the Public Accounts Committee's frustration - that is the root cause of the Public Accounts Committee's frustration over this whole system, to do with this linkage. That has led, in turn, to this amendment that we have in front of us today. Now I want to try and keep some balance in my arguments. The problem for the Council of Ministers may well have been in the forecasting assumptions in the first place being unrealistic from last year. To have assumed that inflation would stay at 2.5 per cent into the future was clearly, in hindsight, a mistake. But I would remind the Council and particularly the Minister for Treasury that my panel and others warned him at that time. We asked him questions on at least three occasions that I can think of, is this 2.5 per cent realistic, because it is a crucial number in the forecasting? We said at the time we thought it was suspect and it would lead to problems and I dare say it, Sir, but I think we were right. Now I did say that I might have some sympathy with the Council because in fact the Chief Minister is right: it is the increases in inflation above the 2.5 per cent assumed that are driving the majority of the increased spending from last year's budgeting. Things like public sector pay are linked to inflation, as are pensions and others. So, I will repeat, I was going to say that I had some sympathy, but they cannot say that they were not warned: they were. Perhaps we need to think seriously, as any private sector organisation would, of breaking this link between public sector pay and future inflation, particularly because we have even less control over our inflation destiny than most other places anyway. So I am going to return now to my starting theme, but before I do there is just one little point I would like to make about this particular Amendment 9. I believe that it is incomplete because I would have preferred to have seen at least one year's worth of savings placed in the stabilisation fund as part of the amendment. It is this fundamental problem that is going to make it difficult for me to support the Public Accounts Committee. I completely understand their frustration. I am completely as one with their frustration, I just do not think that treating the symptoms in the way that they are attempting to do is the way forward. It is the treatment of symptoms rather than addressing the core problems and the cure. In that respect I return finally to Deputy Gorst's suggestion which has been endorsed by the Chief Minister and I think that is definitely some light at the end of the tunnel that I am seeing there. We need to try and address the cure. The two areas that I would see as the starting themes for this new body that I would very much like to be involved in are, firstly, forecasting and breaking the link between increased forecast income, leading automatically to increased spending aspirations, leading to inflated and inflationary business plans. That is the first theme. The second theme, a more difficult one I suspect but one that, inevitably, eventually this Assembly is going to have to grasp as a nettle, and that is the public sector pay and its link to inflation. That, Sir, is the really big one; eventually we will have to grasp this nettle, and I leave you with that thought. Thank you, Sir.

1.13 Connétable D.J. Murphy of Grouville:

Obviously I rise as a member of P.A.C. in support of the amendment, and I am not going to delve back into the points which were covered very ably by my Chairman and Deputy Chairman who sold it to the Assembly yesterday. However, I would just like to bring the Assembly back because I am concerned that we are missing the whole point of the amendment at this stage. What we are trying to do is to cut the overspends; we are not trying to cut the annual budget. We are trying to cut the overspends in the budget. If I can refer the members to page 5 of the amendment, paragraph (h): "To request the Minister for Treasury and Resources not to exercise his powers under Article 15(1)(b) of the Public Finances (Jersey) Law 2005 regarding reallocation of year end underspends before seeking the prior in principle agreements with the States Assembly." This is what we are trying to do. We are not trying to take bread out of mouths; we are not trying to take jobs out of people, we are trying to get somebody within the system to attack the forecasting, the proper forecasting, of the budget and the departmental budgets in particular. I think, to generalise completely now, the public are looking to us for leadership. What they are saying to us is: "Look, you are coming to us for more taxes. You are coming to us for three per cent G.S.T. (Goods and

Services Tax). What we want you to do is show us what you are doing first” and I think it is very important that the Council of Ministers, and this House, in fact, must lead the way by saying: “Look, this is what we are doing to help. We are now asking you for more taxation in order to keep up the standard of living and to provide you with the services that you are paying for and that you deserve.” So I would ask the House, Sir, to please concentrate on the main principle of this amendment and also perhaps to be a little more in touch with people, in touch with the House, and I do take up Deputy de Faye’s speech. He did say that the committee’s system was a different way of doing things and now we have shifted to this way of doing things. But with a committee system - and I am not saying we should go back to it by any means - every member of that committee owned a piece of every decision. So he packed it and he put his piece into it, et cetera, et cetera. Now we are being told the decision has been made, it comes to Scrutiny, now Scrutiny can make suggestions; they are not particularly well acted on at times. I think the Council of Ministers do have to bend a little, to confide more, and to perhaps get a better way of putting their message over, not just to the House but to the people. Thank you, Sir.

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

I sat here yesterday morning writing in my mind two equal and opposite speeches. There was a poacher’s speech: I have been a poacher all my life in a sense of wanting, even in church things, small, central governments; tiny, central expenditure and leave the money with me and the other people at the ground level, because I think we can spend it better than some central administration. Starting with this, of course, you always have anecdotes. I was fascinated by Deputy Baudains’ anecdote about paint at the harbour yesterday. In my imaginary speech there was the anecdote about my encounter with the health administration over the house for the new hospital chaplain. We appointed a new hospital chaplain and somebody forgot to ask whether or not they had dogs. We then found that the house allocated to hospital chaplains did not allow dogs. Well, that was okay: let us get another house. But then we discovered somebody had forgotten to ask for the “j” category or Minister’s category or whatever category licence you need **[Laughter]** and it was going to cost an extra £12,000 to get an open market house. The church came to the rescue for once and the Minister’s house at St. Aubin, which was not being used, is being made available for the chaplain from the end of November. I inspected it with my glasses and hat on, and this was signed off by the acting Chief Executive and by the Dean of Jersey. All was done: they will move-in in November. Then another administrator rings back and says: “Well, we are so pleased you have inspected and signed it off, but the way we work is that we have to go and inspect it and sign it off and then a committee has to meet, and they have to inspect it and sign it off, and then it can all be approved.” I said: “It is a done deal, please make it happen.” Now, of course, I judge from that, Sir, that I could amateurishly, as Deputy de Faye has brilliantly put it, from the comfort of the decanal armchair “cut a swathe through hospital administration.” Because, of course, if you simply have an interesting experience, and it certainly was not the fault of the civil servants I encountered; they simply administer the system, cuts are easy. On the other hand, when I encountered the hospital as an outpatient: “Please turn up for some eye examinations” to be met with the courtesy of an absolutely on-time appointment to find that a couple just in front who had been kept waiting 15 minutes, which in the U.K. would be regarded as three hours early **[Laughter]** were immediately apologised to because the consultant had been taken on to the ward for an emergency and would they mind waiting or would they like their appointment re-booked. We have some public services, Sir, of which we should be rightfully proud, and the people who deliver them. But in my poacher’s speech I found it very easy to say there must be greater possibility of cuts or reductions in future spend or however you put it. I have no doubt that that is true, because unless we are the only democratic bureaucracy on the face of the planet to be 100 per cent efficient, there must be more efficiency savings. I am just not sure you can achieve them with a three month lead-in. Now having become Dean of Jersey I have crossed the floor in the Church of England from poacher to gamekeeper, and I find that quite difficult at times. So I then sat here and wrote a gamekeeper’s speech. Like Senator Syvret, my wife, who does all our expenditure and planning, tells me that we

are paying much less tax here than we were before in England. I thought: "That is good to be part of a low tax economy." There is no doubt in my mind, having watched it for the last two years, that ministerial government, indeed, means that there can be very usually an emotional disconnect between those involved in ministerial government and those who previously were proactive now being reactive to the suggestions, policies and decisions that come out of that. The planning is bound to be advanced before we get the Business Plan. I suspect, Sir, that if it were not advanced we would be asking the Council of Ministers what they were doing by not having plans for 2008 well before they brought them to us. I am not sure that any of us believe anybody who says: "We have already cut to the bone." No, that is true. But if you ask any organisation to make cuts at three months' notice, I need to say to you that cuts will hit the poor. Not as a shroud-waver, but simply because history tells us cuts always hit the poor. But, secondly, because if you have to do it at three months' notice you will do that which is doable rather than that which may be strategically right. What do I mean? Well, supposing I was the Health Minister - which heaven mercifully has forbidden and I am delighted that Senator Shenton bears that responsibility instead - supposing you decided: "We will freeze jobs." If the jobs you freeze are people simply doing administrative tasks which are nice to be done, but not essential, patients may not notice. If the jobs you freeze happen to be three theatre sisters, you will cancel operating lists and increase waiting lists. That is just the fact of running a health service. But if you have to deliver cuts now, then you will do that which is doable now, whatever that may be. My tale of two speeches end. But I follow it with a tale of two cakes and with this I want to share with you my one question - I am sorry that he is not in the Chamber to hear this - but I would want to ask Deputy Gorst, and I have to say too it is also the question I want to ask God when we get to Glory, which is this: if he likes cakes as much as he does, how come he looks like he does, and I look like I do? **[Laughter]** Because there is an unfairness in metabolic rate that I do not totally understand. But I do understand that there is a "budget cake" and we must live within that. I am absolutely convinced by everything that has been said that we need to work together as Deputy Ryan, Deputy Gorst, Senator Walker have all said most eloquently. But I also want to say to us that there is an "expectation cake" out there, an expectation cake that runs from the poorest to the richest in Jersey which is about quality of life that is expected to be delivered by a civilised society. If some of those expectations are, in the current economic cycle, unrealistic, then we have a hearts and minds battle to win to teach people that, because those who are poorest do expect a reasonable pension. Those who are low paid do still expect to be able to afford their satellite television and perhaps a holiday. That is simply part of the fact of modern life. I remember asking both candidates for Chief Minister two years ago: "What sort of society will you build?" If I had been asked that question myself then I would have wanted to say this: one that is both caring and cost-effective. I do not expect any government - and by the word "government", Sir, I do not just mean the Council of Ministers, I mean all of those within this Chamber - to waste a single penny of my or anybody else's money. Nor do I expect them to leave anybody, rich or poor, outside the scope of a caring society. In the end, I wrote neither speech - or perhaps I wrote both of them. But it seems to me that what we need is a tale of two views. It is, if you remember your optician's appointment, like being in the chair asking whether the right eye is in step with the left. If you take it at the moment that the left eye might be the Council of Ministers, and the right eye, it seems to me, asking exactly the right questions - the Public Accounts Committee and others who have spoken. If we are going to see our society clearly and the right and effective costs that can be curbed, then we do not need one eye working against the other; we need both eyes working together in the way that Deputies Ryan and Gorst have suggested. It seems to me, Sir, that only then can we get a view that gets the best out of both worlds that not only carries support in this House, but may also carry both the respect and the agreement of the people of Jersey.

1.15 Senator B.E. Shenton:

When I received this amendment through the post on 4th September 2007 I felt that it was an ill-conceived and irrational proposal; although it was well-intentioned, it benefits no one in the Island

at all except perhaps the wealthy. I also felt that it was a somewhat lazy amendment because the job of the P.A.C. is to identify inefficiencies and savings and not just lazily lob a figure off the bottom line. As an individual perhaps I should be supporting the proposal because the cuts that will be made will not affect me and, ultimately, my tax bill may go down or tax increases may not go up so quick. After all, I do have a private pension, my children go to private school, I do not use public transport very much - I cannot fit in the buses - and if my health should deteriorate I am fortunate enough to be able to go private. The ironic thing is the more tax you pay the less you receive. So who will be worst hit by cuts in expenditure? It will be the old, the less well-off, the vulnerable, the infirm and it will be the people that we represent. Do the public really want a decline in public sector services? Do they want a decline in public sector standards? I do not think they do. The Dean said that we should be caring and cost-effective and I think this sums it up. I put on my notes later on today we will be debating my J.C.R.A. amendment, but the way the debate is going I should have put it later on this year. In this amendment I am asking to cut expenditure in 2009; not 2008. When I wrote the proposition I realised that it would be totally unreasonable to inflict spending cuts on the J.C.R.A. in 2008. We are only a few months away from the 2008 financial year beginning. I am sorry to say that if you believe that you can slash budgets at such short notice, then you obviously have very little good business experience or are such an exceptional businessman that your talents are wasted in this Assembly. Apart from the high-flying directors and the wealthy, there is nothing in this amendment for the people of the Island. We are asking them to pay more taxes next year. More taxes than they will have ever paid before. What we are promising to deliver is a cut in services and standards. I have just been appointed Minister for Health and Social Services, and while I have not had a chance to go through the figures, the job of Senator Perchard and myself is to ensure that the money that we have within our budget is targeted and spent on the best areas so that we deliver a world class health service. All I ask is that Members do not forget their responsibilities as a Senator or a Connétable or a Deputy. That responsibility is to look after the people of the Island and deliver a very efficient public sector. This is not the way to achieve these aims. I would ask that if your allegiance truly lies with the public that you vote against this amendment.

1.16 Deputy A.J.H. Maclean of St. Helier:

Before I directly address the important issue of the P.A.C. amendment I would like to tackle another small matter: Deputy Southern - who, unfortunately, is not in the Assembly **[Laughter]**. Sir, it appears that Deputy Southern is somewhat confused. His comments regarding Economic Development are rarely dull or uncontroversial or, for that matter, particularly accurate. **[Laughter]** His speech yesterday was undoubtedly a triumph of political posturing over reality. Ironically, Economic Development is a leader in terms of delivering value for money by encouraging greater productivity from a lower budget; a budget that has reduced by £1.3 million, or 10 per cent, since 2005. Economic Development introduced zero-based accounting principles which are output-based. This ensures that our budget is clearly aligned to our objectives and that every pound of taxpayers' money produces a greater return. We have moved away from the culture of handouts to a culture of hand-ups for business. It is a performance-related strategy that Jersey needs to fully embrace. Deputy Southern may choose to criticise the Economic Development strategies, but the facts speak far louder than his unfounded accusations. The economy is performing strongly in almost every sector. I am afraid that the Deputy is barking up the wrong tree, hopefully not just barking. **[Laughter]** Sir, now I would like to turn to the main feature. My speech is as much about matters of principle and trust as it is of anything else. Firstly, I would like to congratulate P.A.C. for having the courage to bring forward this amendment. Although the detail and the structure is somewhat questionable, the principles are absolutely right. Quite rightly, the subject of States' expenditure should be a topic of significant importance to this Assembly, as it is indeed to the public. It has to be recognised that our public services were, and still are, first class, especially for a population of just 90,000 people. Few, if any, jurisdictions of a similar size could match the quality of our health and education services, to mention just 2. To plug the pending black hole a new fiscal strategy was

developed which contained a package of measures to raise the necessary tax from new, direct and indirect personal taxation. Any proposal to increase tax is unpopular, especially personal taxes and especially in Jersey where so many people have historically paid so little tax for so long. The realisation of increasing taxes naturally made people question what alternatives were available. It was not long before all the lovely bells and whistles associated with public expenditure came under the microscope. In reality, this Assembly realised that it would be impossible to get public support for increased taxes if they only preached: "Do as we say, not as we do." In other words, the fiscal strategy included an unwritten deal between Government and the people of Jersey. In exchange for the pain of increased personal taxes this Assembly would do its bit and reduce expenditure to help eliminate inefficiencies and wasteful spending. It was recognised the controlling States' expenditure was absolutely central to restricting not only the number of future new taxes, but also the level to which they would have to be raised in the future. It is crystal clear that the public of Jersey now feel terribly let down, and have lost some confidence and trust in Government in all of us. When an undertaking is made then it should be honoured. I do not believe that it has been, and the public do not believe that it has either. This Assembly agreed to control of States' expenditure and to deliver £20 million of efficiency savings. These savings were delivered, but then in the blink of an eye those savings were redeployed, albeit to extremely worthy frontline services such as education, health, social security, and so on. This was not the original aim. This was not the deal offered to the public, and it is not good enough. The public feel cheated by this sleight of hand. If we say that savings are going to be delivered, then they should be directed to the stabilisation fund or the strategic reserve. Otherwise, they are not savings, but merely a windfall to be easily spent. The 2005 Fundamental Spending Review did deliver savings, although I would describe them more as cuts rather than efficiency savings, and there is an important difference between cuts and savings that should be borne in mind. Cuts represent more of a loss of service than true efficiency. That is why we hear such loud, emotive cries from Ministers, and others, that cutting budgets will result in job losses and loss of frontline services. This, of course, is absolute rubbish in many cases, and merely demonstrates the desperate need for a change of culture with strong leadership from the top in order to drive through genuine efficiency savings. Such a move is absolutely essential in order to restore the credibility of this Assembly by honouring the promises that we have made. So are we spending as efficiently as we could? Absolutely not. Can further savings be delivered with better value for money on the services provided? Absolutely. Does this have to mean service cuts and job losses? Absolutely not. So I find myself in somewhat of a quandary, because this proposition, at face value at least, appears to deliver exactly what I require in terms of a much-needed cut to the bottom line of States' expenditure. The dilemma I face in considering this proposition is that it effectively uses a sledgehammer to crack a nut. By adopting this proposition it is more likely to result in service cuts, as departments will only have a mere three months to effect savings for next year, and this is probably too short for meaningful application. The result would therefore probably lead departments to introducing indiscriminate cuts in frontline services, and mean the loss of many, many needed services rather than reducing the cost of services through process and efficiency. The better way to achieve cost reductions is through targeted efficiency savings that should not lead to any frontline service cuts, but this will take considerably longer than the three months we have available based on the proposition. This proposition crucially fails as it is arguably too scattergun and crude in approach. In addition, I am looking for an undertaking that any future services that appear are not recycled into frontline services but are directed either to the stabilisation fund or the strategic reserve. We need to take efficiency savings seriously. We need to show leadership in driving through meaningful savings that will last. Most importantly, it will take the Council of Ministers and members - every member - of this Assembly to act together in a determined and a united fashion. There are far too many propositions brought before this Assembly, often very worthy and often great vote-winners: third party appeals; winter fuel and others spring to mind. But every additional pound spent has an impact and that impact will increase taxes if we do not drive through the associated efficiency savings. I implore Ministers and members to only bring forward propositions in the future that are costed and that we can afford. It is time to

live within our means. The public would not only understand that; they would rightfully expect it. But I am encouraged. I am encouraged by the Chief Minister's comments earlier this morning that he and the Council of Ministers appear to be taking this matter with the utmost seriousness. The fact that he is prepared to put time and effort into ensuring that the serious concerns raised, not only today by members but by the public, concerning this important issue of public expenditure will be properly investigated and properly reviewed, and that the results will be driven from the top with political support. That has to be good news. It has to be good news for the people of this Island. The Chief Minister's assurances encourage me to reject the P.A.C. amendment on this occasion. I should add that if there are no clear examples of success in controlling public expenditure by this time next year then I will more than support them, if I do not, in fact, bring a proposition of my own to this House. Finally, I would like to say: have we forgotten better, simpler, cheaper? Let us hope not: let us do it.

1.17 Deputy K.C. Lewis of St. Saviour:

During my election campaign of several years ago, Sir, I did not at any time say that I would do my best to stop the States spending money, but what I did say was I would do my very best to stop the States wasting money. There is the dilemma: do we draw a line in the sand and say: "There, and no further"? Regarding the nurses' dispute which has been mentioned; I, with fellow members, campaigned for a fair deal for nurses and would be more than happy to do so again. The prison was mentioned, known by some as the La Moye Hilton. Not long ago I did approach the Minister for Home Affairs with regard to a visit and on visiting the prison I can assure members it is no Hilton. The new wing is excellent, but I think the four or five older wings are truly abysmal. If we merely lock people up in the prison as a holding facility or warehouse, we are just storing up problems for the future. We need to rehabilitate people at La Moye Prison so that when they are released they become useful members of society. The Cavern has been mentioned as an example of horrendous overspend and, indeed, it was. Absolutely horrendous, and it must never be repeated. However, having not long returned from the floods of Gloucester I can assure members there will come a time, especially with global warming, that we will say: "Thank goodness for the flood tunnels under St. Helier and thank goodness for the flood cavern at Fort Regent." I agree that Deputy Ferguson should receive our thanks for the good work that she has done, and I would say to the Deputy through the Chair, Sir, do not give up. Keep the pressure on and keep reminding States' members of what they need to budget for. Unfortunately, I cannot support the amendment but I will say that we must spend wisely: investing and building for the future of Jersey. Thank you, Sir.

1.18 Deputy P.N. Troy of St. Brelade:

Members of P.A.C. have said that they do not want redundancies; that is not their intention. But, of course, if you are going to cut services that is what will happen. There will be redundancies. There will be redundancies, perhaps at top-level management, mid-level management and at the workforce as well. You might have to terminate contracts, people might have three-year contracts with the States and you would have to perhaps terminate those at an early juncture. All this has to happen in 2008, so you have to start thinking: "Now, we have got to save this money in 2008, so we have to act quickly, because some of these people, we might have to give them a month's notice, or three months' notice." So, you need to start thinking of getting your redundancy notices out before Christmas, which is fine for all of the workforce, is it not? The cost of implementing this could be horrendous. If you start cutting people's contracts and terminating their contracts, then they are going to say: "Well, what is my compensation? You have terminated my contract early." So now we have a termination of employment to cost. Has P.A.C. taken that into account? So we might not be looking at saving £12 million; we might be looking at saving £15 million or £16 million by the time we have paid everybody off. I really wonder if this is thought through. We could be paying large sums in compensation to people if we were terminating employment. I said to my wife when I saw this: "You will not believe this proposition that is coming from P.A.C. - a lunatic proposition." She said: "You cannot say in the States' Chamber that it is a lunatic proposition" and I said: "Okay,

I will not. I will say it is ludicrous.” **[Laughter]** So this ludicrous proposition really should not - should not - be taken through today. There will be a big cost to this. There will be big consequences to this. Service provision will be very seriously affected. What of our unions, as we sway through cutting out all the fat, giving all these redundancy notices, what will the unions say? Are they going to stand there calmly and say: “Yes, we accept all this; we are happy with it”? Well, of course, they will not, and we could, potentially, have massive conflict on that stage. We could even end up with massive strikes across the Island if it gets totally out of hand. Then, of course, the public, as the Chief Minister has said, will they accept all of these cuts? Will they accept all of this confusion that we might be causing today, or P.A.C. might be causing with their ludicrous proposition? Do members really feel that the unions are going to stand by while we take these cuts? P.A.C. is saying: “We do not want redundancies.” But there will be redundancies. That is the only way you can make cuts of this magnitude in my opinion. The public, as Senator Walker has said, will not want the service cuts. When they see the service cuts and realise what has been taken away from them they will be clambering for this big mistake - this big error - to be rectified. I remember in St. Brelade when the Minister for Education was going to close the little library at Les Quennevais. It was opened - I think it was - a couple of afternoons a week and parishioners popped in there and got books and so on. My phone was red hot just over the closing of the library complex within the school. Can you imagine what would happen with £12 million of cuts? Your phones will all be ringing. You will certainly earn your money then. So, I am absolutely totally against this amendment and Members must realise the consequences. This is a folly. This would be an error to support this amendment. Do not support this amendment. If there are ways forward in the future they need to be structured and they need to be carefully thought through, and this proposition is not. This amendment is not thought through clearly.

1.19 Senator P.F. Routier:

I am not going to be very long. I had prepared a speech which probably people would have accused me of shroud-waving and all the rest of it. I probably do have one of the easiest budgets to achieve that shroud-waving flag. But the point I would really just like to make: I think there has been a lot of offers of a sense of wanting to work together for the future. To achieve the cuts for next year are unachievable. I think people are recognising that, and I hope that the Chairman of the P.A.C. is also recognising that: that there is a sense of the House that we want to work together to ensure that, for the future, we do get an appropriate level of service and a cost to the Island. I am sure the Chairman has also been counting the numbers and the numbers of speakers against this, and I am sure she is very, very aware that she is probably heading for quite a heavy defeat on this, from the numbers which I have been counting. My sense would be that with the suggestion of the Chief Minister and all the other Ministers who do want to work together, it may be better to accept that there is a way forward. A way forward of working together for the future and to withdraw the proposition. It would be a comfortable way for them to have made the point very, very clearly to us, and we could all work together in the future. I make that suggestion as a way forward.

LUNCHEON ADJOURNMENT PROPOSED

The Greffier of the States (in the Chair):

Yes. Perhaps just before the Assembly adjourns I make a statement from the Chair. I wonder if the Chairman of the P.P.C. (Privileges and Procedures Committee) if you wish to take further soundings about the way forward. It seems to me clear that if we are not going to finish this debate this afternoon, there may be an impact on next week’s business that you may wish to discuss with your colleagues.

Deputy R.C. Duhamel:

Can we have an indication of how many members are yet to speak or who intend to speak?

The Greffier of the States (in the Chair):

There is only one on my list, but I see two already indicating they wish to speak. Very well the Assembly stands adjourned until 2.15 p.m.

LUNCHEON ADJOURNMENT

PUBLIC BUSINESS - resumed

Annual Business Plan 2008 (P.93/2007): Ninth Amendment (P.93/2007 Amd. (9))
(...continued)

1.20 Deputy S.C. Ferguson:

Before we begin I wonder if I might make a statement to the House. Do not look so worried. It really is not that bad. I have been taking soundings over lunch about the future of this proposition. I am grateful to those who have spoken and I am still of the mind which brought this amendment in the first place. I would make a number of comments; for the Chief Minister to say that they have only three months to organise efficiencies under this amendment, this lower increase in their budget, is incredible. The budget for 2008 was approved last year. The most significant expenditure increase is due to the handling - I did have an adjective, but I think I will leave it out - of the wage negotiations. If the Council of Ministers had held to their budget this amendment would never have been brought. The P.A.C. is prepared to allow the three angry young men to pursue their drive for savings and efficiencies. We do, however, have severe doubts about the resources being allocated being sufficient and I suggest you look again. The P.A.C. has certain conditions which it expects of any such report. The reporting should be done in public. The P.A.C. will hold public hearings with the perpetrators of the report and the P.A.C. reserves the right to revisit the issue of budget increases. We are prepared to allow the Council of Ministers time to deliver on their promises, to take steps on reducing overall expenditure, but we give you due warning that if meaningful progress is not made then we will be here again next September. We therefore withdraw the amendment, Sir.

The Deputy Bailiff:

You seek leave to withdraw the amendment?

Deputy S.C. Ferguson:

I am sorry. I seek leave.

Deputy R.C. Duhamel:

Can we have an appel, Sir?

The Deputy Bailiff:

You want the appel on whether the Assembly agrees to the withdrawal?

Deputy R.C. Duhamel:

Yes, please.

The Deputy Bailiff:

Because the debate having started, the proposition can only be withdrawn with the agreement of the Assembly, so you vote pour if you want it withdrawn, and you vote contre if you do not want it withdrawn. On that basis the Greffier will open the voting and I invite members to return to their seats.

POUR: 30

Senator F.H. Walker
Senator T.A. Le Sueur

CONTRE: 6

Connétable of St. Helier
Deputy R.C. Duhamel (S)

ABSTAIN: 0

Senator P.F. Routier	Deputy A. Breckon (S)
Senator M.E. Vibert	Deputy G.C.L. Baudains (C)
Senator B.E. Shenton	Deputy J.A. Martin (H)
Senator F.E. Cohen	Deputy G.P. Southern (H)
Senator J.L. Perchard	
Connétable of St. Ouen	
Connétable of St. Clement	
Connétable of Grouville	
Connétable of St. Brelade	
Connétable of St. Martin	
Connétable of St. Saviour	
Deputy J.J. Huet (H)	
Deputy of St. Martin	
Deputy P.N. Troy (B)	
Deputy C.J. Scott Warren (S)	
Deputy J.B. Fox (H)	
Deputy S.C. Ferguson (B)	
Deputy of Grouville	
Deputy of St. Peter	
Deputy J.A. Hilton (H)	
Deputy G.W.J. de Faye (H)	
Deputy P.V.F. Le Claire (H)	
Deputy J.A.N. Le Fondré (L)	
Deputy D.W. Mezbourian (L)	
Deputy of Trinity	
Deputy S.S.P.A. Power (B)	
Deputy K.C. Lewis (S)	
Deputy I.J. Gorst (C)	

The Deputy Bailiff:

Very well. That concludes that amendment.

2. Annual Business Plan 2008 (P.93/2007): Amendment (P.93/2007 Amd.)

The Deputy Bailiff:

The next is an amendment from the Minister for Education, Sport and Culture, the first amendment. I will ask the Greffier to read the amendment.

The Greffier of the States:

Paragraph (a): In paragraph (b), after the words “set out in Summary Table C, page 45”, insert the words; “except that the figure for total States net expenditure in 2008 shall be increased by £600,000; in 2009 by £1,519,000; in 2010 by £1,489,000; and in 2011 by £1,447,000 to extend opportunities for children aged three and four years to access free education, 20 hours per week, during term time, with this education being available to children after they reach their third birthday.”

2.1 Senator M.E. Vibert (The Minister for Education, Sport and Culture):

I am pleased that the previous debate has come to an end and I believe that the withdrawal of the amendment to cut budget demonstrates the majority of States’ members understand the need to maintain and enhance our public services for the benefit of the Island. We could have gone for a vote, Sir, and we did not and I am glad that the P.A.C. agreed to withdraw the amendment and I would be very sad if any States’ member did not believe that we should maintain and enhance the services we provide to the public of the Island. That is why government is here. In proposing this

amendment to the Business Plan I wish to make absolutely clear that what I have proposed all along is extra funding being made available to extend free nursery education to all 3 to 4 year-olds. I have not, and never have, proposed taking the funding away from overseas aid, or anywhere else. My amendment calls for the States to accept that providing early years' education for all is something we should do and should vote the extra funding needed to do it. What this debate should be about, and what for me it is about, is whether extending the opportunity for early years' education to all our three and four year-olds is the right thing to do in the Island's best interests. If it is, as I believe, the right thing to do we should do it. I know the argument is stick to the cash limit proposed, but that cash limit, as we have just been debating, is not magically fixed. It is up to States' Members to fix it. In that cash limit it has already been proposed that there is growth in it for health, the prison and social security for new and enhanced services and I support this. What I am also saying is extending the opportunity for early years' to all three to four year-olds is of an equal priority and we should include it as well. There are funds available. It means putting less into reserves but supporting early years' will also mean spending less overall in the long run. As I said, the States is facing a budget, that we have just withdrawn the amendment from, that agreed to 2.2 per cent growth; that is if you take out the other things that the Chief Minister mentioned. Growth, well below RPI (Retail Price Index), growth in health services, prison, and social security and, as I said, I support all these that are needed but so is extending our current free early years' education opportunities, and for just adding a relatively small percentage to spending we can achieve this social good. Sir, I would also like to make clear now that there is no possibility of finding the funding required for extending early years' education from the existing ESC budget. We, like other departments, have been making major efficiency savings for some years now and there is simply not the capacity to find the £1.5 million a year required from 2009 onwards. Education, Sport and Culture has already had to cut back on school budgets to part-fund this year's pay deal and that hurt. I have the letters from the head teachers telling me how much it hurt and there is simply no scope for further major savings of the magnitude required. If there were I would not be coming to the States today with this amendment to the Business Plan. I am also not arrogant enough to think I know where it could come from in other departments' budgets. I know they have been making savings as well. This is why my amendment asks the States to increase the overall amount to allow this essential expansion of the opportunity for all to access early years' education. The increase amounts to a 0.11 per cent increase in 2008 and a 0.26 per cent increase in 2009 and 2010 in overall States' revenue. Balanced against the gain of offering 20 hours per week term time free early years' education to the half of three to four year-olds who are currently denied this opportunity. The money is there to pay for it. We currently have an excess of income over expenditure budgeted. It simply means putting less in the consolidated reserve and instead investing in the future of the Island. There is no question of the demand for this service. Education, Sport and Culture had to turn down over 170 applications for nursery class places this September which is why I am asking the States to provide funding so as not to be in the same situation of disappointing so many families next year as well. Also, members will have received quite a number of emails from parents supporting the amendment. To turn to say why we should be funding this extension to our early years' provision, extensive research has proved that high quality early education and care is beneficial for the growth and development of children. If it had not, and was not, we would have been getting it wrong in Jersey for the past 23 years. The States agreed to start providing free nursery education back in the early 1980s and the first nursery class at a State primary school opened at Grainville School in 1983/1984. But we have not been getting it wrong. The benefits of high quality nursery education has been demonstrated time and time again locally by the children who have received the benefit of such education entering their reception class ready for school. The then Education, Sport and Culture Committee, under my presidency, set out its vision for early years' education in July 2005. A key element of that policy was that all three to four year-olds should have access to affordable, high quality education and care. This commitment to provide access to early years' education for all was also driven by the inequity and fairness which was developed under the early years' policy. That policy has been, and still is, unless the States change

it, to establish nursery classes at all our States' primary schools. This policy, although well-intentioned has led to the present inequity whereby about half of those children aged three to four have access to free early years' education and half do not. Many parents call it a lottery. If we continue to follow this policy we face a number of issues; (1) the length of time it will take before there are enough places for every child whose parents wish them to access one - over 15 years, best timescale. So, the inequity, the unfairness and the lack of opportunity for all to benefit from high quality early years' education will continue for all that time; (2) the capital costs involved in providing all these extra new nursery classes, approximately £7 million at today's prices, and the revenue costs will be higher than if my amendment is agreed and we have a partnership with the private sector; (3) the adverse impact on private sector providers if we continue to provide nursery classes in schools that will cause problems with the availability of all child care; and (4) the fact that nursery classes attached to primary schools alone will not meet the full needs of many working parents. By agreeing the funding I am requesting all of these issues can be overcome; (1) all children whose parents wish it would have accessed the 20 hours free early years' education from the start of the new school year next September. Getting rid of the lack of opportunity and that unfairness that so bedevils our existing provision; (2) there will be saving of the £7 million capital costs as a proposal is for a partnership with private and voluntary providers who already have the premises to provide the extra early years' education places needed; (3) it will have a positive impact on private sector providers, encouraging them to offer more and improved childcare for other age groups; and (4) it will provide for the needs of many working parents who wish their child to have both high quality education and care in the same setting. It will, in essence, raise the quality of all nursery provision and to ensure our youngest children all get the opportunity of the best possible educational start in life. It will mean regardless of parental circumstances all children will have the opportunity to receive the same nursery entitlement, whether in a public or private setting, doing away with the current unfairness. A 500 signature petition in support of the amendment was handed to the Chief Minister - I am not sure which day; we have been here so long now - I think three days ago. Tuesday, thank you Chief Minister. A petition was handed to the Chief Minister on Tuesday - 500 signatures - just about as many signatures as the number of three to four year-olds we currently deny access to free early years' education. A number of nurseries and parents also gathered in the Royal Square to show their support. Of course many could not attend because they are working parents and members will have received, as I said, a considerable number of emails on the subject. The Council of Ministers has given its approval in principle for my proposals for early years' provision. They support them. Unfortunately they do not believe, or the majority did not believe at the time, that the funding could be made available so soon. I am asking members today, Sir, not only to give their approval to my proposals in principle but in fact by voting the extra funds required to this much needed extension of our early years' provision can be introduced from next September. I am also mindful of the Treasury and Resources Minister's exaltation not to spend more but the Treasury and Resources Minister also said we need to take a longer term view. My argument is that we cannot not afford to do it now. Not only in the best interests of young children and their parents, but in the best interests of the Island as a whole. Extensive research demonstrates that high quality early education and care is beneficial for the growth and development of children. This in turn brings significant benefit for society as a whole. A wealth of research, including an extensive study undertaken by PricewaterhouseCoopers, not known particularly as bleeding heart liberals, illustrates that the economic and social benefits far outweigh the costs. The longer term view as advocated by the Treasury Minister. There was a review of all, or many, of the research things done to high quality childcare the benefits and costs of high quality childcare by Martin Sheffer and Associates, September 2005. If I may quote a little, Sir; this is the executive summary: "The purpose of this report is to review the methodology and findings of existing benefit cost analysis and related studies of high quality childcare programmes. Studies of childcare programmes targeted at disadvantaged or otherwise high risk children have determined, based on statistical comparisons of participant and control group outcomes, that they have a wide range of positive educational, social and economic impacts. The value of these positive

impacts, measured by reduced special education and grave repetition costs reduce criminal justice and related costs due to crime, reduce social services costs, increased participant earnings and parental benefits, time savings or increased earnings have been estimated at two to nine times the costs of the programmes. The general consensus is that targeted childcare programmes can provide very attractive returns and a far more efficient than later remedial effects required when early intention is not undertaken.” They go on to say: “Universal high quality childcare programmes will capture the child development benefits for the disadvantaged or otherwise high risk children that enrol and increase maternal earnings or other parental benefits for all participants. Improved quality of care will also benefit less disadvantaged children, though not possibly to the same extent as disadvantaged children. Studies have been undertaken in Canada, the U.K. and the U.S. that estimate the benefits and cost of universal, high quality childcare programmes. The studies all suggest the benefits of universal, high quality childcare programmes exceed the costs.” It makes good economic sense. So, why is high quality early years’ education and care so important, so valuable? Another one of the most respected research bodies on the subject, EPPE (Effective Provision of Pre-School Education) Research, at London University School of Early Childhood Education, outlined the benefit of such provision in terms of socialisation, health and learning. Their research has shown in socialisation that children by the age of 3 need to socialise with their peers to develop good communication skills, social awareness and the ability to resolve conflicts. I will add, Sir, that Jersey’s Physical Speech Therapy Department is promoting early intervention because of the growing number of school age referrals. Health; children over 3 who enjoy good preschool education enjoy better health and mental wellbeing. Do we not want that for all our children? Remember in Jersey we now have a higher percentage of obese children than in the U.K. Learning; children over 3 who attend good preschool education enjoy better sustained thinking, have a greater ability to solve problems and to be independent learners. Exactly what we need to provide a well-educated and skilled workforce for the future. Good quality early years’ education is also proven to lead to fewer social delinquency problems in later years and importantly, again in terms of cost, EPPE Research confirms the saving of £8 in the longer term for every £1 spent on high quality preschool education. The extension of free universal nursery education will support the many families in Jersey who struggle to reconcile work and family life. It will reduce the use of unregistered childcare and ensure all have access to high quality educational experience, critical for their intellectual, social and emotional growth and development. It will also help support the social integration of families from outside the Island who come to settle here and it will make the Island a more attractive place for local young families to stay in or return to. Young families who might otherwise be put off by the high cost of childcare on top of the high cost of living and the high cost of housing. Young families we so desperately need and are critical to our future, given Jersey’s aging population. These are some of the reasons, Sir, why I say we cannot afford not to do it now. Putting this provision off will be to the detriment of the future of our Island. Do not just take my word for it, also listen to what the Jersey Childcare Trust, headed by the States’ former economic advisor, Colin Powell, has to say about it. Colin Powell, Sir, who I do not think would be supporting anything if he did not think it was also in the best economic interests of the Island. The Jersey Childcare Trust issued a press release on early years’ care and they came out in strong support of the Education Minister’s call for more State support, for free pre-school places. The Trust is so supportive and it raises a number of key issues in its press release saying there is demonstrable academic and social benefits in the formative years as adolescents and in later life which can be derived from investment in children in their earliest year. Lack of adequate investment and support from the earliest years can be the root of problems surrounding the activities of young people as research clearly shows. Investment in children can pay long term dividends for a community at large which more than justifies the investment called for. They go on to say Jersey childcare is of particular economic significance as both parents and young families have to work, additionally costs of providing early years’ education and childcare are also increasing which also has an impact on availability and choice. While the childcare facilities they say provided by both the public and private sectors are of a high standard the free service provided

by the public sector does not meet the Island's total needs. So, many parents rely on the childcare service made available by private providers. The Trust childcare should be affordable to all and there is a need to recognise the difficulties in accessing childcare faced by those on relatively low income when they are unable to obtain a place at a free public sector nursery. There is a need for public private sector partnership in childcare provision and equality of treatment for parents and children. That was in the Jersey Childcare Trust's press release supporting wholeheartedly what has been proposed today. Sir, Scrutiny are also starting to look at early years'. I am pleased the Education and Home Affairs Scrutiny Panel are now looking at early years', but without wanting to criticise in any way I wish it had been done sooner. The original report I brought and put before the States has been around since July 2005 and at every meeting I have had with the panel and their predecessors I have urged them to undertake such a review. I will, Sir, of course take seriously into account whatever findings Scrutiny come up with but believe it would be wrong to deny half of next year's three to four year-olds the opportunity of benefiting from high quality early years' education because we should have to wait for a Scrutiny review to report; not when it has been there to scrutinise for the past two years. We, Education, Sport and Culture, have consulted and scrutinised the early years' proposals ourselves over the past two years and have come forward with proposals that are backed by all the involved groups and parents. I know that members had many emails on the subject. I picked one out that came recently. I will not use the name of the person concerned, but it reads: "I urge you to support the proposals for free nursery places for all three to four year-olds. I am a middle income earner, working for health and struggling to support my family. I have had to pay for childcare from when my child was four months old to this August. We failed to get a nursery place allocated and as my son was only four on 11th September we now have to pay for a fourth year of childcare. I pay my taxes and social security, but yet again I am penalised and fork out for others to benefit. Please rectify this inequality and ensure that every child has an equal opportunity in Jersey." So, while I accept that Scrutiny will be looking at it, I say please do not wait and I have been informed by the Education and Home Affairs Scrutiny Panel Chairman, Deputy Mezbourian, that her panel, the Deputy of St. Mary, Deputy Pitman, and herself will not participate in the debate and will also abstain from voting on the amendment and I respect their decision. The P.A.C. in their comment also want to put off making a decision because the Comptroller and Auditor General, with my wholehearted agreement and support, is currently carrying out a review of financial management and control in my department. I was the first to offer my department up and I welcome it. I welcome this review. I will act on any recommendations but because this review is going on it is no reason to deny early years' education to another 500 young children next year. Come back, say the P.A.C., after the C.A.G. (Comptroller and Auditor General) has reported, whenever that is, and ask for the money then. Well, there are a few problems with that; (1) the C.A.G.'s report is totally separate to the need for identified funding for nursery education and if funds are not voted now the timescale for introducing the new system will be very short to get into place for 2008 and I am not sure how I could come back and ask for more money if the States have just agreed this budget for next year. So, I do not think that is a practical way forward. No, Sir, I would like the States to make the commitment to extending early years' education now. It would be a false economy not to do so, saving a relatively small amount of money not knowing how much more will have to be spent in the future because of a failure to act now, but knowing it will be a lot more. Free universal nursery education makes sense on all levels. It does not discriminate against any sector and it will be relatively simple to promote and administer. If this funding is approved today we can provide free universal early years' education for 20 hours per week, 38 weeks per year, which research tells us delivers the optimum educational benefits and that would come in from next September. Providing nursery education is a long term economic and social good, just like schooling. There are about 1,000 children in each nursery cohort and they only get one chance. At present we can only offer half those children that chance. Every year we put this off more children miss out. Let us end the current nursery education lottery. Let us take a long term view and invest in our, and our children's future - the Island's future, now.

It will be one of the best investments the States will have ever made and the return will be so much more than worth it. Sir, I urge members to support the amendment.

The Deputy Bailiff:

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

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

Under Standing Orders 106 a Member is required, at the earliest opportunity, to declare an interest, if one has one. Albeit under that Standing Order, Sir, my interest as I have a child who is two years old and will be turning three at that time. It is only general in its principle, but I am declaring that interest and will remain in the debate, Sir, and I will be voting.

Deputy D.W. Mezbourian of St. Lawrence:

If I may also declare an interest; the interest that the Senator has referred to in his introductory speech, although I am the only member of the Education and Home Affairs Panel within the Chamber this afternoon, Sir, the panel have decided to declare an interest in this as we are conducting a review and I would therefore like to withdraw from the Chamber, Sir.

The Deputy Bailiff:

Yes, a matter entirely for you, Deputy.

2.1.1 Deputy S.C. Ferguson:

The Minister said earlier he was in favour of efficiencies and then in his opening words he effectively says he will ignore this House. Not exactly the frame of mind promised us by the Chief Minister.

Senator M.E. Vibert:

I do not remember saying I would ignore the House at all. I would never say such a thing.

Deputy S.C. Ferguson:

He no longer has to pay £1.3 million for teachers' pensions. If we remember that was taken to the centre, so why is he not using that? I certainly cannot find a commensurate reduction in his budget for that £1.3 million and I have gone back a couple of years. I too have had a lot of emails. One thing I did notice though, most of the addresses were from banks and businesses in the financial sector. I replied with a question; where are we going to find the funds? Would it be just as equitable to charge everybody? What are your ideas? I got back most of the emails saying, if it is going to be an equal level charge across the board, so be it, as long as it is equitable. So, I do question the Minister's comments. I would remind the Minister and the House, as I have been doing over the last couple of days, that there is no such thing as a free lunch. If we give free childcare to everyone then it will be paid for in increased taxes, probably by those people who have no children. Now, is that equitable? I am wondering if the report that the Minister quoted from was the one by Durham University, because Durham University have also done a lot of work on early years' childcare and their report effectively concluded... it questioned the efficacy of this education. They found no evidence of improvement in education and said that further work needed to be done. I can give Members the reference afterwards, if they like. On 8th September 2006 the Comptroller and Auditor General issued a report on the Childcare Trust. It commented the 1996 working party came to the view that there were unlikely to be sufficient resources for the States to provide all childcare facilities and support. That there would always be a need for a variety of provision to meet people's differing needs and that a focal point was needed...

The Deputy Bailiff:

Deputy, sorry, I am going to have to interrupt you, Deputy, the Assembly is not quorate.

Deputy S.C. Ferguson:

Can we ring the bell, Sir, please?

The Deputy Bailiff:

I know you are keen to ring the bell.

Deputy S.C. Ferguson:

Can I amend Standing Orders, Sir?

The Deputy Bailiff:

Very well, we are now quorate again. Please carry on.

Deputy S.C. Ferguson:

The working party in 1996 came to the view that there were unlikely to be sufficient resources for the States to provide all childcare facilities and support; that there would always be a need for a variety of provision to meet people's differing needs and that a focal point was needed to stimulate and facilitate new developments and co-ordinate action overall as well as attract more funding. The main theme of the Auditor General's report was that the Education Department - of which the Minister has been the Minister for some five, six, seven years - the Education Department had not made up its mind what it was funding the Trust for and should get on with making up its mind. In fact they have still not done this and they have simply said to the Trust that they ought to get on with raising more money from the private sector. To their credit the Trust has done this but the department's funding has continued without any greater clarity. What have they been doing? One of the topics, the P.A.C. will be discussing with the Chief Officer of Education is the actions to be taken by Education, Sport and Culture since the Auditor General issued his report. The Minister mentioned the report on financial management and control and at the same time the Scrutiny Panel is conducting a review. Really, if we do not know the results of these it would be absolutely crass for this House to vote money which is over the budget for this project without the benefit of these reports. We are voting in the dark, Sir. We really cannot vote money for something, and as the Minister said this morning, we must have business plans as he is planning for the national gallery. Well, we really do not have the plans and the cost effectiveness in order to assess this project if we vote now and quite honestly, Sir, if we defeat this we just throw it out. So, if the Minister would like to withdraw it and the Treasury Minister may bring it back in due course. But if we defeat it, it is gone and it is into oblivion. So, I ask the Minister to think extremely carefully about that.

2.1.2 Deputy I.J. Gorst of St. Clement:

It disappoints me to have to say this, but I fear that some of the sentiments that Senator Vibert displayed in his speech were exactly the reason that the P.A.C. brought their amendment to the Business Plan this morning. I hope that we can deal with this amendment relatively quickly, because I do not for one minute believe that it is about preschool education. It is in actual fact about failing educational policy. Every single aim and benefit that the Minister has outlined for extending preschool education could quite simply be met by his department means testing a current provision. The Minister said that there was greater demand than there are places. The Minister said that the current system was a postcode lottery. He is absolutely right, but I ask you, Sir, and I ask Members who, what or which department has caused this problem and I believe that it is in fact the Education Department. The Education Department has been responsible by its policy for the decline in private provision of nursery care across the Island. I have firsthand experience in this in St. Clement. We have a situation, Sir, where the current policy allows wealthy parents to put their children into a free place provided by Education and then when the time comes they take them out and they enrol them and they pay for them at St. Michael's. On the other hand we have a situation where parents of low income, because they live outside of the catchment area, are struggling, Sir, to find provision

to care for their own children when they are trying to work as well and it is, to my mind, unacceptable. Therefore, Sir, this debate is not at all about preschool education, it is purely about the way the department is running its affairs and, as I said earlier, the department could simply means test its current provision. One other point that occurs to me, Sir, and I know that me being an accountant I can be a little bit nerdy about numbers and I apologise for that in advance. However, in the Minister's amendment he is asking us to approve, I believe, about £600,000 for next year, rising to £1.4 million and £1.4 million in the following years. The current amount budgeted in the Business Plan as before for 2008 is just short of £2 million for preschool education. In an answer earlier this week the Minister replying to a question from the Connétable of St. Helier said that currently we are providing places for about half of those children that will require them and we are providing 30 - this is important, Sir - hours a week. I like fiddling with numbers and if I fiddled with them correctly, Sir, we can take 10 of those hours to provide some of the funding for the other half of the children which means, if we are not going to means test, we only need to find money for another 10 hours. So, that on my calculator means that our provision only needs to be about £700,000 per annum anyway, not the £1.4 million that the Minister is requesting. So, I hope Members are in no doubt where I stand this afternoon. I urge them to reject this proposition because the Minister could simply deal with the issue and even if they did approve it my belief is that the numbers are flawed.

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

I did listen to the Minister's speech and I listened very hard because he told me he had quite a lot to say about early years and I kept listening and he kept on about the research and I have no doubt that his research is probably right, and I was on Education when this proposal was first mooted and we saw the bare bones. What I have is the same problem as Deputy Ferguson, in the Senator's proposition on page 4 he says: "In March this year I brought proposals to the Council of Ministers to provide the opportunity for free universal nursery education 20 hours per week term time beginning in September 2008. Although the Council of Ministers supported the proposals in principle it was unable to find the funding." I have also now checked with the Education Scrutiny Panel and apparently they have seen the proposals, albeit in confidence, and they have seen the minute the Council of Ministers approved. The problem is, Sir - and I think that adds up to about possibly 13 people without the two Assistant Ministers - it may be 15 States' members who have seen these proposals. Yet the Education Minister, Sir, comes to this House and blindly asks us to give him, as it says in here, £600,000 and then £1.5 million for the next four years when I have no idea - he has not had the courtesy to tell me - how this will work. I do know when I was on Education, Sir, there was a very grave concern that it did not turn into a subsidy like rent rebate or rent abatement. Who is going to get the money? Is it the parent? Is it the private provider? Are we paying for childcare or are we paying for education? These were the biggest questions that were asked, and I know there was a scheme up to three or four years ago that was worked on. I am sure that is near fruition, Sir. Unless the Minister in his summing up completely gives me a lot more information about this scheme, I, and I hope others, as Deputy Ferguson has already said, withdraw and have a members' briefing so we can all ask questions that he might not want in the public arena but I cannot see, Sir, why not. It is a basic scheme. It is how it is going to be provided and where do these figures come from? I also look and ask for them to turn to the annex on page 185. It does say: "Means testing to be introduced." This is in legislation that Education will need for early years: "Means testing will be introduced" - which is likely. How will it be done? I mean, some people in this House will agree that everybody needs means testing. Some people do not. I want to see the scheme. I want to know who it will be, how it will operate. I, Sir, do not think that that is too much to ask when we have an Education Minister who is telling us he wants X, X and X for the next 4 years to introduce this scheme. Really, Sir, I will listen and I hope - I do not know - the procedure may be for reference back or if the Minister will not withdraw, maybe somebody else. If they do not get the information, because I am telling you now there are some serious problems with this, we are blindly agreeing to money if we do not know how the proposed scheme would work. Sorry, Sir,

while I am on my feet, I just cannot let the Minister get away with the remarks on his opening speech about the withdrawal of the amendment. I am sure, and I do not think it was that long ago, that this Minister or States' member, Sir, could have been described as one of the angry men who were going to cut States spending. He may not have been that young **[Laughter]**, but my point, Sir, is he did not do himself any favours because he easily showed everyone in this House how an angry man of whatever age can easily turn into a sarcastic, smug and a sniping Minister. That is exactly what I thought his remarks were. **[Members: Oh!]**

2.1.3 Deputy K.C. Lewis:

I fully support early years' education, Sir. It dispenses with the current nursery lottery and not only is it good for young children but it allows mothers to return to work if they so wish, something at present which is often economically unviable. It is good for children, it is good for mothers and it will be good for Jersey. Local people in local jobs. Sir, this amendment has my full support. While I am on my feet, Sir, may I make reference to Amendment 2 and congratulate all concerned in its withdrawal. Anyone who has watched the evening news of late cannot help but be moved by the pictures of suffering of people overseas. In Africa alone...

The Deputy Bailiff:

Deputy, I am sure that is interesting but we must stick to the debate.

Deputy K.C. Lewis:

Very good, Sir. I will just make the point: 18 countries affected by floods. I will be supporting early years' nursery education, Sir, and I urge fellow members to do likewise. Thank you.

2.1.4 Connétable A.S. Crowcroft of St. Helier:

I have a pretty fundamental problem with this amendment. I think it is in breach of the Strategic Plan which we adopted last year. Last year I brought an amendment to the Strategic Plan and I asked that the word "equitable" be inserted in the objective tabled by the Council of Ministers to providing affordable early years' care. Clearly, as Deputy Gorst has eloquently pointed out, this is not equitable. It seems to me that the Minister was charged by the end of the year to bring forward the proposal for equitable nursery care and he simply has not done it. It seems to me that that is a pretty fundamental problem. I was disappointed that I had to tease out the truth from the Minister in a question this week because nowhere in his report does he admit that his proposals are not equitable. People currently enjoy 30 hours. He said five of them are being looked after while they eat their snack lunch. Children currently, on the good side, enjoy 30 hours' free education from his department, and his proposal is only offering 20. You may argue, and some of the people who supported the Minister in the Royal Square earlier this week have said to me: "Well, it is better than nothing. At least it is a start." But it is not equitable and the Minister was charged to bring forward proposals by the end of this year for equitable nursery care and he has not done it. I think that is a very serious problem. Another problem which has been alluded to, I think, and again I wrote this last year and I quote from the amendment: "It is a matter of concern that in February this year [that is 2006], the Minister for Education, Sport and Culture has signed off the creation of another States subsidised nursery unit in spite of the responses to the Minister's own consultation process on Early Years R.C.54/2005 to which he has not responded despite assurances that he would do so before the end of 2005." This, by the way, is from a Minister who has just castigated Scrutiny for delaying and scrutinising his proposals. I continue in my amendment, together with many representations made to the department about the adverse impacts this outdated policy is having on private sector provision of nursery care. The issue of funding of early years' education and care has been the subject of numerous States questions, but this has not deterred the Minister from pressing ahead with the creation of another free day nursery. That, of course, opens in the autumn. Who can blame the parents in St. Peter and the Connétable of St. Peter for welcoming a new nursery at the primary school? Of course we do welcome it, but as has been pointed out so ably by Deputy Gorst, take off

those extra 10 hours that people are currently enjoying in his nursery schools and at least make those 10 hours charged for, and you have halved the bill to provide the funding which you need to extend the provision. If the Minister really wants a mauling and he does not withdraw this - and I think he is going to get a mauling - I would like to ask whether we will be able to vote on the two parts of the amendment separately. It does seem to me that while I am loathe to say that his department cannot make the savings and reorganise their financing of early school care, it does seem to me that if they are going to get that extra money from the Council of Ministers by no means should the overall revenue expenditure of the States increase to allow that. So I would be prepared, if I have to and he does not withdraw this proposition, to support part (b) but not the first part (a) because that would break the revenue limits of the States.

The Deputy Bailiff:

I think, Connétable, (b) is consequential on (a).

The Connétable of St. Helier:

I thought so.

The Deputy Bailiff:

(a) is the matter now before the Assembly, and the Minister was very clear in his speech. He wants...

The Connétable of St. Helier:

The extra money. Thank you, Sir.

2.1.5 The Deputy of Trinity:

What a difficult proposition, especially on the back of what has happened over the last couple of days. On one hand we are being asked to provide free education for three to four year-olds, but on the other hand are being told time and time again by the public to cut spending. We have heard that, and we have endured the last three days and we need to hear the message that has been said. Nobody can deny that the present system is unfair and unjust. It is just not a level playing field, but is this the way to make it so? After the debate these last three days, I think the answer is no. Looking at the Childcare Trust survey, they looked at the parent/household income within States-funded nurseries. A third had an income of less than £26,000, half had an income of between £26,000 and £60,000 and 17 per cent of them had an income of over £60,000. Those are receiving free education. We, as a body, are encouraging working parents to go back to work, to work longer hours, through the holidays. You may ask is that right. Are there any incentives for a parent to stay at home? Is there any encouragement or incentive for businesses to become more family friendly? If so, what are they? Perhaps some sort of partnerships with their staff. Has the Minister looked into the provision of being means tested? If not, why not? The most important issues are the needs of our 1,500 preschool children. Under-five year-olds deserve high quality care in education. They are the core of this proposition. At this age, their minds are like blotting paper and must have access to good quality provision and, importantly, continuity of care so that the children who require longer hours are given this in a setting where the adults and environment remain the same. Is that achieved in 20 hours of free education? To me, it should be 37 hours if you are looking at all-round care. I really appreciate how difficult it is for parents to juggle provision of expensive childcare and working hours. I have said before it is the middle earners who have to pick up the cost as they are the ones who need all-day care, year round. These parents are the backbone of our working force. Our children are important and they should come first, and they need access to high quality care, but my great concern is the cost and whether this proposition will achieve it. I would like to know from the Minister that he has looked into partnerships with businesses to help provide this important resource, a climate of trust and mutual respect so that everyone is working to the same

aim. Similar partnerships, perhaps, to what is done with the youth service. As I say, like in a school report, I think the Minister for Education could do better.

2.1.6 Deputy P.V.F. Le Claire:

I probably feel like one of the most unprepared members there could possibly be for this debate. I thought that I was coming in understanding the issues and I have listened to some of the speeches already today and I have been thrown off my rocking horse. I believe in the entire ethos that the Minister is speaking about. I would like to just cover a couple of those things if I can and put them into a Jersey context because I do not think it is right to draw upon a parallel in another university that has conducted a study somewhere else. Jersey has a very unique society with a large number of mothers having to work. We have a very unique industry in the finance industry, in the way that it has settled into Jersey. We are endeavouring to spend economic development money in making sure that people are prepared for lifelong learning and are put into jobs that will enable them to fulfil their functions for a lot longer and a lot less interrupted period than we have historically been used to. Although there are parental issues in respect of paternity leave and maternity leave, predominantly these issues are that the mothers and the fathers will probably have less time and influence upon their children on a daily basis than they did in the past. We may argue about whether or not we think that is a good thing for the children or a good thing for the family, but one thing that we cannot get away from is that we think that we need that to hold back the tide of immigration. We are re-skilling and we are re-training and we are endeavouring, as was made quite evident in the speech of the Assistant Minister for Economic Development, that our economy is not bringing in new resources where we do not need them. So it seems to make perfect sense to me that we would be able to provide childcare. It is not the first time and certainly will not be the last time that I make a speech that is all over the place. I cannot help that today, I am afraid, because I am a little bit all over the place and I feel that the proposition has left me there. One of the statements the Minister made was: "Childcare should be affordable to all." I absolutely agree with him. I think childcare should be affordable to all, but then when you start to listen to the 30 hours and the 20 hours and the means testing and the use, or the abuse in my view, of the nursery places for people who are going to just hike their kids into St. Michael's when they are able to, I think that is absolutely appalling. I watch mothers of children, very young children, taking their children into the workplace, and some questionable workplaces: laundrettes, cafeterias. Some of the people who come to Jersey from outside of Jersey, who have chosen to bring up a family, are paying such extortionate rents on their rooms that paying for childcare, especially as it is not something that they would do back in their own lands anyway, is just out of the question. There is no way they would consider that expenditure. Yet, when one looks at the child, one feels that although the mother and father are trying their best, that child perhaps should not be in that workplace. What does one do, report it, sympathise, empathise, or try to implement a policy that would enable them to move forwards? I have a couple of things to say, but the bottom line, I guess I am getting to, Sir, is that I do not want the Minister to be guessing as to where I am coming from. I hope he is going to be listening though. I am going to support him because I think that the ethos to what he is speaking about and everything that he has spoken of in his preamble is absolutely right. Health and well-being, better able to solve problems, fewer social delinquency problems in future years, £8 saved for every £1 spent. It will reduce the use of unregistered childcare or, in some cases, inappropriate childcare. As I have mentioned, some children are being in a workplace, for example, or in with dad in the van while he goes off and does his job or sitting in the back of the car while mum goes and cleans. This is not appropriate. Some children get sent back to their grandparents until they are full school-year age so that they live without their parents. It has been a trend for many people who have come to Jersey to make their children go home and be brought up under the care of their grandparents. Then for them to come into the schools' mainstream education and have the impact of not understanding the language I think has been detrimental, not only for the obvious detriments to the family and the child and the mother and father while they have been away and absent from each other, but also from the fact that the child is behind when the child comes to

Jersey to enter school. They have not been used to the language. They have not been used to the customs. They find themselves in that same old chestnut with a door without a number on or, in some cases, with a room with a number on, not an address, and finding themselves in an environment that is totally alien to them, having come from the care of their grandparents' quite comfortable quarters into a new society. I know this speech is a bit all over the place, but I do not make apologies for that because I think it is a situation that our society is in. How is it possible, how has it been possible for all these years that these wealthy parents have been able to access free childcare while these poorer parents have not been able to? I want to support the Minister because I want him to go away with the knowledge that at least one States' member is fully supportive of the ethos. He may have a harder job with some other members in the Chamber today. I am sure he is able to answer their speeches individually but, from my point, I think there is more to it than just pounds and pence. There are some social issues here. There are public/private partnership issues. People have spoken about those. Probably there will be evidence given or real examples given as to how the competing attentions of childcare facilities and childcare professionals are at odds with such a scheme. Not only that; parishes provide services as well. Interestingly, my son began voluntary childcare this week. He attends a nursery school twice a week for three hours a week and we pay. We have considered the value that that is giving him and we have considered the hours that he is attending and we are considering, if it is available, to have him in there for longer. However, he is not yet two and there are children in there who are a lot younger. These are the questions I have for the Minister because it would seem that Scrutiny is going to play a function in this. There are staff-to-pupil ratios that are required in any modern nursery and you cannot just go in there and demand the hours that you would like, even if you can pay. I cannot go in there and say: "I want my child looked after from 9.00 a.m. until 5.00 p.m. and I am prepared to pay" because they will say: "Well, we do not have space right now." It may be available at another location, but in the location we want and the school that we want him to go to, we have to wait until somebody moves up and gravitates up into the system or go somewhere else. These are the questions I am asking. Has it been factored in that if you do this rather strange, complicated mathematical question of the £1.4 million into the 30 hours minus the 20 hours means tested and everything else, what impact is that going to have upon the staff/pupil ratio and how is that going to impact upon the people who are willing to have their children in school at a younger age of three, who are prepared to pay right now? Will they find that there is no longer a place for them because the people who are getting free education have taken up all of the services that have been provided and it is sponsored by the State, in which case where do they go? A little bit complicated; I do not have my head around it. My wife and I wanted to increase our son's childcare so he will be attending three times a week. He is only just about to turn two, so we have a full year to go before we would get into the position where there would be any kind of free provision. I will say this, Sir. I am not going to be swayed by other members' speeches, although I see some merit in what they are saying. I am going to support the Minister because I believe in the ethos, but what I would like to know is has all of this been thought through because one thing is for certain, and I can witness it and testify to that, that our child, even within the two days that he has been going and the two days that he went just to get a flavour of the place, has come along in leaps and bounds in areas where he was struggling. One in particular was probably taking after his father's speech. He has come along in leaps and bounds and he has a greater use of words and expressing himself which has removed a lot of frustration from his daily needs. We are seeing a real benefit. The States of Jersey provide excellent childcare facilities either in partnership with or on their own stand-alone facilities. The health and safety executive in the schools and everything else and the facilities in Jersey, I have not seen anywhere else. I think we have some of the best schools in the world. I really do. I think we are seeing that in the exams. I would go on record to say that I do not think that was necessarily the case when I was in school, but I certainly do think that we are going in the right direction in every other aspect. Some of the schools and some of the things we are doing in schools across the board are absolutely fantastic. Maybe the Minister needs to go and look at the means-testing system, but seriously, I think we need to be able to offer the opportunity for parents, at whatever age they need to put their children into

care. Some of them are as young, I think, as 6 months in this school that I am going to. They are real babies. If the parents have to do that to pay the rent, then we should be able to afford them the opportunity because sometimes it comes down to that. Sometimes the parents are working not because they want to be away from their baby but because they need to pay the rent and their jobs require them to be at work at that time. So we need to guarantee the rights of the individual to purchase the hours in the future for their children under the States' provision without compromising that by over-providing and robbing the staff-to-pupil ratio in the private sector that it might do. I think we need to get behind the Minister in going forward with the scheme because, as he said - one of the best sentences in his speech: "Childcare should be affordable to all." I would tack on the end of that: "It should also be available to all." The benefits to the young are immeasurable. One only has to look at some of the incidents - I am not saying all but some - we are seeing in our society at the moment with the younger people who just seem to have no handle at all on respect whatsoever. One has to question whether or not we invested enough in the past. The analogy that £1 spent today saves £8 tomorrow, I think, will only be compounded in the future as younger people seem to and tend to have less general rigour in their upbringing. The sooner and the quicker we can get them into a structured method of learning, especially if they cannot afford it, the better. I hope that not only the Minister but some of the other members who are looking at this issue or thinking about this issue have taken on board what I have been saying because it is not just about whether or not little Johnny goes to school. It is about whether his mother goes to work and whether or not that achieves something for the G.D.P. As I said, it is not just about those who get free childcare. It is about whether or not those who want to pay, like me, can pay, whether or not there is somebody I can go to and say: "Do you have a facility? Do you have the time? Can my wife go to work? Combined income is adequate that I can pay. I want to pay. Do you have the time?" The reality is we could not get the hours or the times we wanted. Overall we are very happy, but staff-to-pupil ratios play a part. I apologise for my speech being all over the place. Members have had to put up with it before in the past. I am sure they are going to have to put up with it again in the future. Well, groan if you want to. Other people will make that decision; not you. The decision today is I support the Minister to back the ethos that parents who cannot afford the education want to see it happen. He may not have the enjoyment of the rest of the House's support, but surely they can get behind the ethos if not the actual amendment.

2.1.7 Deputy J.A.N. Le Fondré:

I believe I also have to declare a general interest similar to that of Deputy Le Claire. I like the Minister for Education, Sport and Culture, Sir, and I note his comments and those of one or two other speakers as well. Indeed, the amendment is extremely laudable, as they say, but I have to disagree with him entirely on this matter, I am afraid. Let us face it. In my view, the present situation is, putting it mildly, a bit of a mess. It is inequitable and it has ultimately been created by Education. In fact, I think the Minister himself stated in his speech that this position is a result of an educational policy that has created the problem. There is no control over who has access to this free education, and basically it has put the public sector into direct subsidised competition with the private sector. I understand it had been one of the main factors in the closure of several private nurseries. In the ideal world, we would be supporting this, but we are not in that ideal world. As we have identified already, we do not have the money to do this and I have to say I think the Minister has completely missed the point of the last day in God knows what of the debates that we have had. We cannot afford what will be another £1.5 million a year on the bottom line. That has been the whole point of today. That is what has been the whole point of yesterday morning, and I am sure these debates will come up again. It is that simple and I think we should reject the proposition, Sir. Thank you.

2.1.8 Deputy J.J. Huet:

Well, have times changed or not, and if they have, is it for the better? Many years ago, I was a working mother. I can remember going to work and coming home with my salary at the end of the

week. We used to get paid weekly in those days. Half went to the childcare lady and half went to pay the mortgage. I can remember telling the childcare lady, and maybe I should not say this: "Do not declare it because I have already paid tax on it and you will have to pay again." [Laughter] But it was a long time ago. I think there is a limitation on that, Sir. [Laughter]

The Deputy Bailiff:

Good thing the Attorney General is not in the Chamber today. [Laughter]

Deputy J.J. Huet:

I have to say, are we any better off? In those days, one used friends for childcare. You would not be allowed to do that nowadays because they are unregistered. I mean, normally these friends have brought up their own families, so they knew more about children, I would have said. I said: "Have them." Long before I went into business or banking, we had a newspaper round because, in those days, where there was muck there was money. If you did not have the money for your childcare, into the carry cot they went and into the back of the car they went, and they came with you. Well, okay, I know that is not allowed now, but I have to say I have two children and I am extremely proud of them. I do not think they were any worse off for being lugged around in the back of the carry cot. I find they have done well, they are well educated and they are well adjusted. I think it comes down to quite simply if you can afford to pay for it, do pay for the childcare and the nursery. If you cannot, we should help that. We should help because if you cannot, it is good; if you can, you pay. It is quite simple. Thank you very much, Sir.

The Deputy Bailiff:

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

2.1.9 Senator M.E. Vibert:

I was just making some notes. I regret not many people have spoken. I do not mind people having a go at the Minister. He is big enough and ugly enough, as I am sure everybody will agree, to look after himself. My concern is not about me. My concern is about the young children of the Island and ensuring they get a good and fair deal. I think what I found most depressing by some of the speeches is it is as if this was something new. Even for the newer members of the House, there was a progress report issued in December 2006 which they all obviously had and, as new members and keen members, would have read conscientiously. I have not had one response from any of the new members on this issue at all until today. I will address some of the questions asked, Sir. Deputy Ferguson talked about Ministers being in favour of efficiencies, correct? She mentioned £1.3 million for pensions. Well, I do not have that money. If I had that money, I would use it. It was taken back by the Treasury to pay for guess what ... pensions. The Treasury now operates teachers' pensions, not ESC. The Deputy referred to a Durham report which I am quite prepared to look at. One of my sons went to Durham University so I hold that institution in great esteem. Certainly there is concern that no high quality early years' education cannot be as beneficial as high quality early years' education. My proposal is very much of a high quality early years' education because that is what all the research has shown delivers the benefits. I understand the wish that the C.A.G.'s and the Scrutiny Panel's reviews had come out already. I absolutely concur with that wish. I wish they had, particularly the Scrutiny Panel, but I feel it is only right that I should try to obtain for half the children who will miss out next year to make sure that they do not miss out. States' Members and those who spoke against it did not seem to really have a lot of concern about the inequality, about the inequity, about the fact that we can only offer half the children what we do not offer the other half but that is for them to work with. Deputy Gorst, again someone who has never spoken to me about this issue despite having backed our progress report, talked about failing education policy. Well, I cannot see failing education policies. I can see an education system that is producing the best results. It is comparable with anywhere in the world. I do not see how that education policy is failing. Means testing came up. Sir, I know members have had a lot to read, but I had hoped they

may have read this amendment and the paperwork with it that was presented to them because I lodged it on 1st August to give a lot of time for members to read it, to talk with me if they so wished, to try to understand it. I deliberately, in producing this amendment, attached to it as an appendix the R.C.54/2005: "Investing in our Future: a vision for early childhood education and care for children in Jersey." On page 20 of the amendment as part of this appendix I put in, is a section on funding the committee's vision because it was a committee with a very valid member of the committee in Deputy Martin on it who was fully supportive of this proposal then. I will go on to that later if I may, but just to say about means testing. We looked at means testing and it is there on page 20 that all members have had. Now, if they had any doubts or queries, why did they not come and ask me? Why are they now bringing this up as a way of putting off what we should be doing? It says there, and I quote if I may, Sir: "A third solution would be to introduce graduated fees and means testing for all provision including nursery classes. This would offer a pragmatic and cost-effective way to address the inequality of the current two-tier system, but it might also prove complex and costly to administer. Again, derived revenue may be used as subsidised provision thereby reducing the overall cost to parents and the States. Inevitably it would mean the withdrawal of free provision for the nursery class cohort which could be regarded as a backward step. In any case, the real argument against means testing is it would make early years provision less attractive to some parents and lead to the use of unregistered childcare." So please do not tell me that we have not addressed the view of means testing and, of course, I would have been able to expand on that had any member come to me having read that and being concerned. No, Sir, I will not give way.

Deputy J.A. Martin:

The Minister will not give way. Okay, fine.

Senator M.E. Vibert:

Deputy Gorst as well, and I had some sympathy for him because I must say I cannot see how he can have read these papers given the speech he made. I cannot. I had some sympathy because he fell into the oh-so-obvious traps. Yes, I refer to it as a lottery at present and, of course, he went for the easy option, rich people dropping their children at school and then the children later going on, and he mentioned the name of a preparatory school. Well, we have criteria for admissions to our nursery classes which provide about 500 places for the 1,000-strong cohort. We have those criteria based on very, very sound and tested educational principles and social principles. We try, wherever possible, to make sure that those in greatest social and educational need have first choice and first access to a class. We also, because it is the right thing to do, make sure that there are places for children in the catchment area. We also make sure that we have, as far as possible, a social spectrum in the nursery classes because I can assure you it is not good practice, educational, social or otherwise, to try to create ghettos - that is the sort of word that would have to be used - of children from just one social strata, the lowest economic social strata in an educational establishment. You need that balance of children from each social strata - and I am not giving way, I am afraid, Deputy, because I had to listen to these things being said. Appreciate this: it is from a lack of understanding of the educational system. I am not prepared to let it go because I think it is very, very sad, some of the speeches that did not address the area I wanted addressed which was about the inequality in the current system and the value of early years' education. So that is why, and it is in there and anybody could have come and asked me, we did not go for the means testing route. I will mention Deputy Martin briefly. I was most surprised at Deputy Martin's speech. I was not surprised that she criticised me. That was no surprise. However, I was surprised that she seemed to know nothing about this. I know that a week is a long time in politics. Obviously 2 years is an incredibly long time because Deputy Martin was a member of the Education, Sport and Culture Committee that approved these proposals and that brought forward what we did, R.C.54/2005 Investing in our Future, outlining exactly what we wanted to do and how it should be funded and about the means testing, funding the committee's vision, why we are doing it this way. I will mention one of the disappointments, and this does not apply to the new States' members, I am sure

they will be pleased to know, who joined at the last election. We lodged, as a committee including Deputy Martin, this projet on 5th July 2005 and we left a good period for consultation and we consulted with the providers and parents and everybody else, and I asked States' members to respond. The response I received, Sir, one States' member responded. I took from that that nobody was objecting. The one States' member who responded was very supportive. So we carried on. I issued, as I said, so all States' members would be up-to-date, a progress report December 2006. I have been working on trying to find a way forward that would end the iniquity of our current system which I inherited and would provide all the four year-olds with the base of early years' education as fairly as possible. I believe and the providers and the parents whom we have consulted believe we have come up with a way forward. Unfortunately, for whatever reason, some States' Members seem to believe that it is not a way forward. Connétable Crowcroft totally confused me. Constable Crowcroft seemed to be saying...

The Deputy Bailiff:

The Connétable of St. Helier.

Senator M.E. Vibert:

The Connétable of St. Helier; I beg your pardon, Sir. The Connétable of St. Helier totally confused me. He seemed to be saying that I had not met the terms of what he wanted about equity because I was only asking for 20 hours' free nursery education, not 30 hours. I find that very odd because what I would like to say is, yes, I would like to move towards that, but I was trying to find a way forward that would be acceptable. I am sorry he does not seem to welcome being able to offer at least 20 hours to all and 30 hours to some, but that is his own decision and I hope he can explain it to his own nursery staff in his own two nurseries that are fully behind this proposal. That is for him to sort out. On that point, can I remind members that it may seem a long time ago now but I think it was Tuesday - which again obviously is a long time in politics, two days ago - that the States approved Objective 3 of the Education, Sport and Culture Minister. Maximum benefit from the department's investment in early years' education and care and the performance/success criteria of the States also approved was (1) increased numbers of three to five year-olds receiving early years' programmes and to all high priority cases offered a place at nursery which is what I am seeking to achieve through this amendment. The Deputy of Trinity, Sir, felt it was a difficult proposition. I agree it is a difficult proposition. The present system she said is unfair and unjust. Yes, which is why I am trying to change it, Deputy. Yes, some comparatively well-off people do access free nursery class places and, as I explained, the reason is that our nursery classes need to reflect the other classes and need to reflect the whole spectrum of our society, not concentrate solely on one part even though we give great emphasis and criteria for those in need, but we need to balance it. Yes, we have been looking into encouraging businesses and so on and the JCCT (Jersey Child Care Trust) have been working on that. I mentioned the means testing and we have looked at that and that was in the report attached to the proposition. Children are important; they should come first. I could not agree more. I think we should recognise that providing this provision would be in the best interest of the Island and the children and everybody else. I thank Deputy Le Claire for his speech. He did wander a bit, if he does not mind me saying so, but certainly his heart was very much in the right place and he understood some of it and had some experience of some of it and he was concerned about the staff/people ratio and the provision. I think the concern was if we offered this would it mean less places for below three year-olds. Well, the providers have told us that if we have this scheme it will enable them to offer more places for younger children because they will have a better base to work from. Deputy Le Fondré; we cannot afford it. I hope I explained in my speech that this is very, very short term thinking that we cannot afford it. All the research shows, and I mean all the research shows, that you get between twice and eight times the payback in the longer term from reduced costs in policing, prison, from higher earnings and so on by the provision of early years' education because you get everybody, all our society, a much better start in life. So I am afraid cannot afford it is short term, can afford it is long term and in the best interests of the

Island. I told Deputy Huet this morning that we had taken slates out of the classes. You are not allowed just to have a carry cot in the back of the corner any more either, Deputy Huet, I am sorry. Things have moved on. One of the ways things have moved on is that a lot of people these days, to survive in Jersey, both parents have to go out to work. I think that what I am proposing would go a long way to creating a much more level playing field for those parents with the better of. I am sorry that some people cannot see it. Sir, there was a report I asked to be produced because I wanted to be sure that what we were going ahead with was correct, and it was produced in January this year, on the options we were putting forward for providing the childhood educational care for children in Jersey and it was a report done for me by the National Daycare Trust. I would just like to quote from a couple of their findings. It is an internal report to myself for the department, and the report states: "Providing a free universal service has the clear advantage that it does not discriminate against any sector of the population and is simple to promote and administer." It goes on to say, and this goes back to some of the questions that were asked: "Introducing charging and means testing for nursery education would have a disproportionate impact on low income and migrant families and may encourage other parents to seek sessions rather than a continuous educational experience. It is possible that the children who would most benefit from quality nursery education would be denied it." The report concludes: "The situation that currently exists whereby the States of Jersey is providing free quality nursery education places it at the forefront of other countries wishing to achieve such a position. For a relatively limited amount of further investment this could be extended to all children who wish to access it. Introducing charging and means testing is fraught with difficulties and would have a negative impact on the principles of securing equity, accessibility and affordability." The very things the Connétable of St. Helier said he wanted to achieve. That report goes on to say: "The case has been proven that investment in the early years helps to secure the future wellbeing of children and provides long term economic and social benefits for society. The issue that remains is how best to achieve the complete solution and this could be achieved by building an effective partnership between the private and voluntary sectors, parents and the States of Jersey." That is what I am proposing today, Sir. We have an opportunity here today for a relatively limited amount of further investment to make a real difference for the good of all young children in the Island, their families and the Island as a whole. It makes economic sense. The sooner we invest, the sooner we will benefit from the savings this investment will bring. What I am asking for is an investment in the future. I hope some members will consider I have to bring this forward today to get it in the budget for next year so we can start in September 2008 and I hope, perhaps a vain hope, that States' members put aside any thoughts they have about what I have done, how I have presented it, what information I have provided and I hope in voting they will search their consciences and think: "Is this the right thing to do for the young people of Jersey?" and vote accordingly. I am asking for an investment in the future and I would like to conclude by quoting a poem sent to me by our early years' advisor. It is by the Nobel Prize winning poet from Chile, Gabriela Mistral. Its title is His Name is Today: "We are guilty of many errors and many faults but the worst crime is abandoning the children, neglecting the fountain of life. Many of the things we need can wait, a child cannot. Right now is the time his bones are being formed, his blood is being made and his senses are being developed. To him we cannot answer tomorrow, his name is today. His name is today." Today the States has an opportunity to show their commitment to that child and every child in Jersey. Sir, I move the amendment and ask for the appel.

Deputy I.J. Gorst of St. Clement:

While I enjoyed the Minister's verbal abuse and perhaps it was his lecturing style that put me off listening to him, but I am not sure that he did address my question that his figures were fundamentally flawed.

The Connétable of St. Helier:

Before the Minister answers I have a question that did go unanswered. Could the Minister say whether the system is equitable that he is proposing?

Senator M.E. Vibert:

I have no wish to get into further political debate. I think it is beyond that. I do not believe my figures are flawed and I believe that what I am proposing is far more equitable than what we have now.

The Deputy Bailiff:

Very well. The appel is called for. I invite members to return to their seats and the matter before the Assembly is for or against the amendment of the Minister. I will ask the Greffier to open the voting.

POUR: 10

Senator S. Syvret
Senator W. Kinnard
Senator M.E. Vibert
Deputy A. Breckon (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy P.V.F. Le Claire (H)
Deputy K.C. Lewis (S)

CONTRE: 25

Senator L. Norman
Senator F.H. Walker
Senator T.A. Le Sueur
Senator P.F. Routier
Senator B.E. Shenton
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Clement
Connétable of St. Helier
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Deputy R.C. Duhamel (S)
Deputy J.J. Huet (H)
Deputy of St. Martin
Deputy P.N. Troy (B)
Deputy S.C. Ferguson (B)
Deputy P.J.D. Ryan (H)
Deputy of St. Peter
Deputy G.W.J. de Faye (H)
Deputy J.A.N. Le Fondré (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy I.J. Gorst (C)

ABSTAIN: 0

3. Annual Business Plan 2008 (P.93/2007): Third Amendment (P.93/2007 Amd. (3))

The Deputy Bailiff:

Now amendment 2(b) by Senator Shenton has fallen away because of the result of the earlier amendment so we come next to Amendment 3 lodged by Senator Shenton. I will ask the Greffier to read the amendment.

The Greffier of the States:

The third amendment (a) in paragraph (b) after the words set out in summary table (c) page 45 insert the words “except for the figure the total States’ net expenditure in 2009 shall be decreased by £150,000 and in 2010 by £250,000 by reducing the grant paid to the Jersey Competition Regulatory Authority.”

3.1 Senator B.E. Shenton:

I must admit I was not expecting to be debating this at 4.00 p.m. on a Friday afternoon **[Interruption]** ... I should explain to the radio listeners we have stopped to check whether we are quorate or not.

The Deputy Bailiff:

No, we are not quorate. I ask members to return. I think perhaps we are now. No, Deputy, do not go. Are we quorate now, Greffier?

Deputy F.J. Hill of St. Martin:

I think there are a number of us who do remain in here for most of the day and there are occasions where we need to pop out, but I will ask those members who do sit out in the coffee room in the comfort seats maybe to come here and sit in to allow those of us who do spend most of our time in here to pop out for a convenience break.

The Deputy Bailiff:

The other point I would make is that it is perfectly apparent when it is getting close to a quorum and I think members should have the courtesy to count before they leave and reduce it to becoming inquorate.

Senator B.E. Shenton:

It is quite a high number ... No, when the Order Paper came out I was not expecting to be debating this at 4.00 p.m. on a Friday afternoon and I would ask P.P.C. to have a look at the way we debate the Business Plan because I do not think that the way we do at the moment is the best use of Members' time. Firstly, credit where credit is due. The J.C.R.A. produces an excellent annual report. In fact, if it was not so good I probably would not be bringing this amendment, and it is just a pity that the States' accounts as a whole are not to the same standard. I described in my proposition that the J.C.R.A. is a sledge hammer with a gold plated handle and a soft grubber head; very expensive and rather useful. This is probably a bit over the top but I was just trying to get my point across. Competition drives down prices although artificial competition can do the opposite as the market may not find the optimum level of operation. The comment from the Council of Ministers - I am not quite sure how I should say that now, whether I should say **[Laughter]** ... states that to reduce the J.C.R.A. grant by £250,000 would represent a 52 per cent cut. However, this is somewhat misleading. The proposition seeks to cut the grant by nothing in 2008 on the basis that it would be unfair and too short notice to adapt to a lower grant at this time. The reduction of £100,000 does not come in until 2009 and with total revenue likely to be in excess of £1 million, this represents only 10 per cent of revenue. A further £150,000 would be cut from the budget in 2010. But why cut? I am not happy with the way the J.C.R.A. is run and they appear to take no account of how much their investigations cost businesses or the ramifications of their investigations. We have all been lectured by Jersey Telecom that it costs a couple of million a year, which is ultimately taxpayers' money, to meet the demands of the J.C.R.A. I had a call from one company that was looking to take over another company of two individuals and one of the reasons they were taking over this company was because it looked like it may go out of business. The total legal costs and others costs associated with conforming to the J.C.R.A.'s requirements was in excess of £30,000. If the Assistant Minister would like to know the names of these companies afterwards, I am happy to disclose them. Furthermore, a lady wrote to me because she complained to the J.C.R.A. that the price of coal seems to go up in unison between the distributors over here. It always went up by the same amount on the same day. She wrote to me and said that the J.C.R.A. did not seem interested. Meanwhile, they have recently been writing to all the banks on the Island asking their opinion of the Royal Bank of Scotland's (RBS) takeover of ABN Amro and asking them to submit documentation as to the ramifications on the Jersey economy. So they are not interested in the price of coal for the householder, but they are interested on the wider stage of RBS

taking over ABN. And do they honestly think that Jersey as a regulator has the power to turn around and stop that deal going through? I have had a lot of support from the public on this issue. In my report I have stated that we should have a regulator but that the regulator should be at the right level and the right cost. Salaries and staff costs, if you look at the annual report, increased by 20 per cent between 2005 and 2006. They received substantial fee income from the regulation of the telephones industry plus other income as well. The question is, how big do we want them to expand their empire and can they demonstrate to us as States' members and to the public of this Island that they offer value for money? This proposition will also demonstrate to the public that we can cut costs where we can. If our cost cutting promises are nothing other than a device to pacify the public then perhaps we should be more honest with them. This may be a small reduction over a three year period, but at least it shows we are moving in the right direction and I put forward my amendment.

The Deputy Bailiff:

Is the amendment seconded? [**Seconded**] Does any member wish to speak?

3.1.1 The Connétable of Grouville:

I will be very short because Senator Shenton has covered most of what I wanted to say anyway, but in the J.C.R.A. we have the bullying bureaucracy at its absolute worst. I had a particular care about the way that they treated the telecom industry in that we now have masts and poles going up all over the countryside and they seem to have given some form of permission or some form of licence for them to be able to apply wherever they want to. It is quite disgraceful. If I can just go on from there, the fines that have been levied on Jersey Telecom, which is our company which belongs to us, the people, we are paying through the nose to keep these people in business. It is absolutely ridiculous. I would rather they concentrate on things like the price of coal. Airplane routes - I unfortunately had to go to a funeral in Southampton two weeks ago and it was, I think, £297 return. I mean that is on a monopoly route. Why are they not doing something about this? There are 100 areas they could investigate which will affect every person's pocket and they are not. They seem to be concentrating on easy targets and rich targets. I wish they would move their centre of operation on to looking after the people of Jersey, which I think is what they should be doing.

3.1.2 Deputy P.N. Troy:

Some years back I was approached by a newspaper vendor in St. Brelade's who could not get newspapers to his shop. Basically the *Jersey Evening Post* decided that they would not supply him on the basis that there was someone else who was delivering to houses in the area and that they were giving newspapers to other shops and since we had newspapers sent to the co-op but not to this small shop in St. Brelade. I wrote to the J.C.R.A. and I sent them a whole wad of documents about legislation in the U.K. and codes of practice in the U.K. and they wrote back to me and said really there was nothing that they could do. Since then, as far as I am aware, they have never reviewed this. They just continue on. From my involvement that I have had with them I am not exactly excited about them at all. I really found them to be quite useless so I am very much inclined to support Senator Shenton because I really do find that any interaction that I have had with them has been of absolutely no use at all.

3.1.3 Deputy R.C. Duhamel:

I have considered for a long time that the J.C.R.A. is a luxury we cannot afford and I will be supporting the amendment.

3.1.4 Deputy A.J.H. Maclean:

Senator Shenton has described the primary role to the J.C.R.A. which is to promote competition and consumer interests through its activities as regulator and competition authority. Given the Senator's apparent populist appeal it is quite frankly staggering that he now seeks to justify a

reduction in the J.C.R.A. funding based on unsubstantiated opinion and in the absence of any evidence whatsoever that a reduction in such funding would serve any purpose. He has sought to bolster his case with an academic article based on economic theory that has little relevance to Jersey, the needs of our residents or, more importantly, the role of the budget of the J.C.R.A. Let me put the record straight and put the facts regarding the J.C.R.A. before you. The J.C.R.A. is responsible for both utility regulation and competition law. This combined function is both cost effective and in stark contrast to other jurisdictions that establish separate regulators for utilities and for competition. The J.C.R.A. is responsible for the regulation of telecommunications under the sector specific Telecommunications (Jersey) Law 2002 and is responsible for regulating postal operators under the Postal Services (Jersey) Law 2004. These functions are industry funded and require no States' funding. The suggestion that because the J.C.R.A. receives licence fee income for its role as telecommunications and postal services regulator it should have no need for funding of its competition role is also fundamentally flawed. With regard to the competition law, the J.C.R.A. is responsible for administering and enforcing the law on behalf of the Minister. To fulfil the role the J.C.R.A. receives direct grant from funding from the Economic Development Department. Such funding is governed by financial directions and is subject to audit and scrutiny. The J.C.R.A. also advises the Minister and other States' departments from time-to-time on issues relating to competition and economic regulation. This activity is funded on a case-by-case basis by Economic Development. Senator Shenton suggests that Economic Development reduces the J.C.R.A.'s grant by £250,000 or 52 per cent. This cut that would only apply to the authority's role in administering and enforcing competition law would, without doubt, seriously undermine their effectiveness and their ability to benefit the consumer interests of the Island. To take such a stance in the absence of objective evidence, and on the basis of one academic study, is wholly irresponsible. Where is the evidence from across the world that economies with weak competition authorities have achieved higher economic growth and inflation; that consumers do not lose out as a result? In fact, all the evidence at my department's disposal indicates exactly the opposite. Members will be quite aware that the J.C.R.A. and the application of the competition law have had a very visual benefit to the Island and, in particular, to consumers. One has only to recall the outcry that greeted the takeover of CI Traders of Safeway Morrisons the day before the competition law came into effect to understand the very real public concern that possible abuse of dominant position can cause. Application of the law has had clear and publicly noted benefits. It has led to an end to some cartels and prevented further anti-competitive behaviour. There is no longer an agreed retail price for fuel at the garages. Lawyers have abandoned standard levels of charges and estate agents clearly and openly seek to compete against one another. **[Laughter]** This is not to say that the law or the market in Jersey is by any means perfect. This is precisely why the J.C.R.A. must be allowed to continue its work unhindered by the threat of budget cuts. Senator Shenton seeks to suggest that regulation does not help the consumer or the economy. He then suggests, however, that light touch regulation would cause markets to operate more efficiently. This is somewhat counter-intuitive. Either he believes that regulation is of no benefit and thus should be abandoned or he understands along with the rest of the developed world that regulation has clear benefits, benefits that Jersey consumers must realise. Which is it? Which is it? Which is it? Having a single body responsible for utility regulation and competition Jersey is able to achieve clear economies. Comparisons with Jamaica and Guernsey that are detailed in the Council of Ministers' response to Senator Shenton's amendment clearly show that Jersey is benefiting from the economies of scale that the structure of the J.C.R.A. is delivering. Of course, economic regulation whether limited to competition concerns in industry specific sectors or across the economy more generally does come at a price. EDD's (Economic Development Department) grant to the J.C.R.A. is £480,000 in 2007 and our proposed funding for 2008 is at the same level. This is a modest figure when set against the size of the local economy and reflects the importance of protecting local consumers from abuse of dominance as well as incentivising business to innovate and maximise on its efficiency. During the fourth quarter of 2007 as part of an ongoing review of all grant funded bodies, EDD will be conducting a review of the full spectrum of the J.C.R.A. activity with the full co-operation of the Board. This review

may well develop recommendations that will be discussed with the Board and, where necessary, action will be taken to improve performance. But there is no case for or evidence to support Senator Shenton's proposals that EDD's grant to the J.C.R.A. should not be arbitrarily cut in future years; rather, it should be kept at a level necessary to maintain the very real benefits now enjoyed by local consumers and residents. An effective competition authority is vital for economic growth and low inflation. Handicapping the J.C.R.A. in the manner that is suggested by Senator Shenton would, therefore, seriously undermine the States' economic objections. Be in no doubt, the application of the competition law and the role of the J.C.R.A. serves the goals of stimulating innovation, increasing consumer choice and ultimately providing the incentive to business to compete effectively in the market place. These are the true benefits of competition law and prove the worth of the grant that the States' makes on behalf of all Jersey consumers. I urge members to reject Senator Shenton's amendment and to allow the J.C.R.A. to continue its excellent work.

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

Members will not be surprised I think, given my remarks earlier in the week or was it in a different life, concerning this issue and the need to cut back on spending. We have just heard a very erudite defence of the J.C.R.A. which was effective perhaps but misplaced. We heard just now that apparently the J.C.R.A. is responsible for higher economic growth and low inflation by its very own activities and we are asked where else across the world can we see a more efficient model than the Jersey economy thanks to the J.C.R.A.? The fact is that we have a very effective economy where businesses do compete healthily in the Island without the direction and the guiding hand and the pat on the head from the J.C.R.A. Businesses will compete and the Assistant Minister then went on to suggest that the grounds for Senator Shenton's proposition were based on some sort of loss academic economic theory which he pooh-poohed. The fact is that the J.C.R.A. in its existence itself is based on loose economic theory that applies by and large to large economies and not to small Island economies which are a different kettle of fish. The repeated attempt of the J.C.R.A. to impose large scale solutions on a small Jersey economy just makes it ludicrous. We are also told that the J.C.R.A. exists to promote consumer interests. Well, that may or may not be true but we spend a certain amount of money promoting the consumer interests through the Consumer Council, so there is some sort of duplication going on there. Finally, we are promised the solution to all solutions. If you want to do something: "Oh, we are just about to hold a review on it. So, do not vote today. Hold your horses. We are going to have a review." Well, I will tell you what, the review may or may not take place in the coming year. When it does I will take a pound to a penny that what it says is let us increase the powers and the funding of the J.C.R.A. and make it do more. I will bet that is what it is; pounds or penny? If anybody wants to shake hands on that, I will see you outside the Chamber provided we have quorate. Yes, it sounds very nice. It sounds very nice as ever from the Assistant Minister for Economic Development but for me I am going to place my money on supporting this proposition. It certainly gets my support.

3.1.6 Deputy S. Power of St. Brelade:

I still have an open mind as to whether I support Senator Shenton's amendment or not but I would like to review some factors relating to areas of interest that I have on the Island. Some of us were at a briefing by Jersey Telecom not so long ago. The chief executive of that company said that the cost of compliance to Jersey Telecom, and because of the J.C.R.A., cost the company I think £1.1 million and that came straight off their bottom line and he was less than happy with that. I think that is something to bear in mind that as this is a state-owned company still it has that effect on the company, and that is the first point I would like to make. The second point I would like to make is that as an Island our sea routes and our air routes are strategically far more important than where we are in the U.K. around continent Europe, so our air routes and our sea routes are very important to Islanders because it affords us a channel to get on and off the Island. In the Bay of Mont Saint-Michel we have four ferry companies operating, Condor, HD, Manche Iles Express and Corsaire and none of those companies have really had much to do, thankfully, with the J.C.R.A. They all

decided to enter the market. They more or less indicated to the Harbours Department that they were going to enter the market and we have seen the results of that competition on the market and I think the Assistant Minister will happily acknowledge that because of the activities of HD, Manche Iles Express and the other one, that we see a huge uptake in harbour statistics this summer compared to previous summers; compared to last year certainly. So it is open natural competition that has affected that, and I do not think the J.C.R.A. had any influence on that. We then contrast that to our air routes where the Constable of Grouville eloquently gave us an example on how on short, short, short time bookings to either Heathrow or Gatwick or Southampton that Islanders can be nailed and I think that is unfair, and I think it is something that the J.C.R.A. should have looked at and have not and I do not want to repeat what the Constable said. I also want to quote the Chief Executive of HD Ferries, and I am sure he will not mind me saying this, that he said that of all the places he has set up in Europe and in the world that Jersey is one of the most difficult places and he puts the difficulty fairly and squarely at Economic Development and that is not directly related to J.C.R.A. but it is part of Economic Development's brief. Finally, Sir, I would say that on our northern sea routes, which is a monopoly, I wonder why the J.C.R.A. have never looked at that because we have a situation where our northern sea routes are controlled by a bank, Royal Bank of Scotland Debt Ventures own Condor, and so we have a bank running a monopoly on our sea routes and that has not been looked at.

3.1.7 Deputy G.W.J. de Faye:

I have to say that I find some of the arguments being put forward to support this amendment really quite confused and, indeed, in some cases baffling. When I was working as a jobbing reporter for Channel Television, 25 years ago, hardly a month went past without someone complaining to me about one of the local cartels and when was I going to be able to break it out into the open and expose these entirely corrupt practices where people just convivially got together and decided that they would all agree among themselves on price lists in order to maximise the profit they would make out of local consumers. Now, I know I have been away for a few years and have come and returned to the Island but I have to say I am shocked if, indeed, the situation has changed so dramatically from that which pertained when I left. I am not at all convinced that it has, so as far as I am concerned thank goodness that we have a Jersey Competition Regulatory Authority. The Senator's report is quite right. Competition in itself drives down prices. That is where competition exists. It is still the case that you can go around - I will not point out the individual sections of our economy - and find different companies with products where the price lists for the brochures are remarkably identical; remarkably identical. Intriguingly, the Connétable of Grouville who seconded this proposition in the course of his speech went on to list a whole lot of other things that he thought that perhaps the J.C.R.A. should be looking into which does not seem to me to be the sort of case to support cutting back on what the J.C.R.A. is doing. Now, Senator Shenton may be right or wrong about this one particular case of banks merging and I pass no comment on that. I do not know the details of the case and, frankly, it is the business of the J.C.R.A. to decide whether they should be involved or not, but I think we should be very clear as to whether this concept of a regulatory authority is a good one or not. Again, I refer to the Senator's report. Regulatory authorities just drive up costs. Well, in some respects that is true. There are costs to compliance. But why do we have regulation? It is to ensure fair deals for the consumers. We have only just seen enormous amounts of money being paid back to bank customers who have been overcharged by banks for years when they have overdrawn on their accounts and quite legitimate claims have been made. That is a result of action taken by a regulatory authority. Of course, there is a cost to setting the authority up but the benefits to people who have now had their money returned dwarf the size of the costs put into the regulatory authority. So what are the benefits that we have seen? Well, mobile phones came up. The Connétable of Grouville mentioned that particular example. Yes, on the one hand we have a rolling debate about the dangers or not of emissions and the obtrusiveness or not of mobile phone masts. Regrettably, if you have more than one company competing in the Island for business in that area either, as has been made eminently clear by the Planning Minister,

we have very large masts to which everybody can attach their equipment or we have a number of smaller ones. That issue I think is well known. But what we appear to be overlooking, which is surprising because there is an enormous amount of promotion and publicity attached to it, are the much cheaper prices that local customers are paying for their mobile phone calls, their mobile phone texts and their mobile phone services because there is now intense competition going on in this Island. If we all care just to stop for a moment and think of the hundreds of thousands, not to say millions of pounds of savings that local mobile phone users are making, again the costs of introducing competition administered under and effectively imposed by the Jersey Competition Regulatory Authority is a price worth paying. Now, in the long term I would hope we get to a point where the J.C.R.A. has done the bulk of its job and, therefore, one would expect that over time, in fact, the body would probably trim down in size and would have shifted its revenue accommodation from the initial start up money that the States provided, to being funded by the various industries that it is required to regulate. That seems to me the position. What we do not want to do is cut it off at the knees now when it has only just started. So, in effect, yes, let us hear back in due course the amount of funding received from the States, but now is absolutely not the right time. There is still plenty of work to do and I am sorry if Senator Shenton has not sat down with his father lately because I am sure if he did his father, who has years of experience working down at our harbour, would know and would be able to tell him chapter and verse the difficulties this Island has suffered by having the enormous amounts of freights funnelled through a tiny gap in the Island controlled by a very limited number of people, a very limited number of freight shipping agents and I believe, Senator, and I am sure you can check the details, possibly only one Stevedoring group. Now, is that an area that the Jersey Competition Regulatory Authority should be looking at? I think, you know, should we be taking money away from this body when there are still outstanding issues like that frankly still outstanding? No. This is not the time to make cuts. This is the time to support a regulatory authority that is doing a fine job in the interests of consumers of this Island and I say to members think carefully about this. It is not the time to make any changes and vote against this amendment.

3.1.8 Deputy J.A. Martin:

I was quite confused by the last Deputy's speech because he said as a reporter he was asked to expose, and went away for many years and then came back with Jersey J.C.R.A. in place and nothing could change, and then went on to promote J.C.R.A. But why I stood, Sir, is because of the comments from the Council of Ministers on the second paragraph. They make, I would say, an incorrect statement because they say: "To reduce the J.C.R.A.'s grant by £250,000 would represent a 52 per cent cut which would seriously undermine their effectiveness as a regulator." Well, they are confusing the two issues. The money, as they are for a regulator, they do get through their licences. The Assistant Minister has just said as well, and it is at the top of the paragraph that clearly the grant of £480,000 is for the competition law. Now, he then also went on to say - I think Deputy Southern has already mentioned it - it is up for review. What does this £480,000 give to Jersey? What are the performance measures? I have never been convinced that they are working properly. I do think, and it has been mentioned from small to large firms on reviews I have done where we have spoken to people who have had dealings with J.C.R.A., that they do look on Jersey and they get most of their regulations and competition laws from Europe as a whole and it does not always fit with Jersey, but it would seem their budget wants to fit with Europe and have a large budget to supposedly promote competition. I do not think the case has been made. I think to focus anybody's performance measures would be to reduce their competition budget and I will certainly support the Senator's amendment.

3.1.9 Deputy C.J. Scott Warren of St. Saviour:

I do support the J.C.R.A.'s work and I do not support this amendment. Currently I am asking for their help on behalf of a constituent running a small business. I was told by the employee of the J.C.R.A. that I might have to wait a while for an answer because of their work load. We know, Sir,

that cartels and high prices have long been a problem in Jersey. In my opinion, we need this regulation to ensure that unfair competitive advantages are not established or allowed to continue. I supported the setting up of the J.C.R.A. and I would be very concerned for the Jersey consumer if this amendment were to succeed. Therefore, Sir, I urge members to reject this amendment and I agree with a previous speaker, it is a price well worth paying.

3.1.10 Deputy S.C. Ferguson:

Far be it for me to correct the revered Minister for Transport and Technical Services but I believe it was the Ombudsman in England who started the ball rolling on bank accounts. This discussion reminds me of a comment by Ronald Reagan: "A government's view of the economy is, if it moves tax it. If it keeps moving, regulate it and if it stops moving, subsidise it." So I think we are probably in stage 2. Think about it. I have yet to be convinced about the relevance of the J.C.R.A. It is my impression that fair play has had far more effect on consumer prices. Looking at the telephone industry, economically in the long term intense competition will lead to companies dropping out of the market so I am very dubious about their telephone regulation in the context of a small Island. I have not decided which way I am voting yet but I will listen to the rest of the debate.

3.1.11 Senator F.H. Walker:

Can I say straightaway that I see the appeal of this proposition. In the context of the debate we have had over the last couple of days it does undeniably look like an easy cut. It does not affect frontline services in health or social security or anything like that. It looks like an easy cut. But, Sir, what we need to do is to consider the consumer and the needs of the consumer. I have lost count of how many members of this House, including Deputy Southern and others, who have over the years complained about high prices in Jersey. I have lost count of it and, yet, here we have them arguing against the very body that has introduced much more competition into our market and made sure that in many places where cartels have previously existed who have been able to charge high prices and get away with it to the detriment of the consumer, they are championing that this body should have its budget reduced and, therefore, inevitably have its effectiveness reduced. Can I refer members to the comments put out by the Council of Ministers to the proposition, and paragraph 4 reminds members, I think appropriately, of the uproar that accompanied the Channel Island Traders takeover of Safeway Morrisons the day before this law came into effect. Why did it happen the day before the law came into effect? Why? Because it would have been difficult if not impossible for it to have happened when the law was in place. That is action. That is a real competitive scenario that developed which they got away with just in time. The next paragraph, and I will quote from it if I may, it says: "Application of the law has had clear and publicly noted benefits. It has led to an end to some cartels [which I have referred to already] and prevented further anti-competitive behaviour. There is no longer an agreed retail price for fuel at garages." Now, who among us does not benefit from the fact now that there is price competition in the fuel market, something that until a couple of years ago never, ever existed? We had to pay the same price effectively wherever we went. Now, we can shop around, and I see Deputy Ryan shaking his head. I do not recall him offering discount fuel but that is another matter. **[Laughter]** Now we can shop around and without question the price of fuel has come down as a result. I love to see the competitive signs outside each garage saying whatever and see the prices moving between one competitor and another on a daily basis. That would not have happened without the competition law and the J.C.R.A. So that is one benefit for everyone who drives a car in Jersey, which is effectively everybody. Now, lawyers have been criticised for years in this Chamber and elsewhere for their high level of charges and the fact that, again, you have had no choice. You pay the fee like it or not. Now, that does not happen and lawyers have had to abandon their standard level of charges. Who has benefited? Well, not the lawyers, but the consumer. That is the one who benefited. Similarly, and I note the irony of Deputy Maclean's position, estate agents are highly competitive with their fees much more so than ever they were before. Now is this what we want to give up? Is this really what we want to give up? All this benefit to the consumer, and I note some of the champions of the consumer saying: "Yes, that

is what we want to give up.” That sounds to me like a pretty strange way forward. Let us think about postal charges. How many times have we heard postal charges criticised in this House? Now we have an authority, a body, that is supervising that and we know with confidence that postal charges will not be able to increase further unless there is absolute justification for them to do so. A protection the public have never, never had before. Stevedoring was mentioned and I am not going to score political points here at all, but it is a fact that the stevedoring contract has recently gone out for tender. The result will be of much... well, I cannot say much more. I do not know the results of the tender. The result will be a more competitive import charge for Jersey on the back of it. Deputy Southern suggests by the look of it, Sir, that it will put prices up. Well, he knows nothing about the tender process, nothing whatsoever, and for the first time in years we have competition in the Stevedoring market, if that is the right word, and who is going to benefit from that? The consumer. No doubt about that at all. Mobile phones have been mentioned and Deputy Maclean and I think Deputy Scott Warren referred to this. The fact is that whatever we may think about masts and so on costs to the consumer of competition in the mobile phone market have come down and have come down drastically. Would we have achieved that without the J.C.R.A.? I doubt it very, very much. So, again, who benefits from their activities? The consumer. I heard a speaker say earlier, I think it was Deputy Southern, that they have achieved nothing. Well, if all of what I have just read out is achieving nothing then I would not mind hitching my star to an achieving nothing band wagon. Have they got much more to do? Have they got more markets to investigate and work on? Yes, of course they have but the records are there, the facts are there. To suggest they have done nothing is completely and totally wrong. It interests me, as I already said, members are frequently complaining understandably in many cases about the high cost of buying basic stuff in Jersey, the lack of competition, the way we are forced to pay higher costs in Jersey. The effect of this if the J.C.R.A. becomes less effective on the back of this, which it would, the effectiveness will be less control over prices, less control over our RPI, our locally induced RPI, and less competition when G.S.T. comes in. Now, we have heard Deputy Southern and others say they are violently anti G.S.T. Well, if we really want all the effects passed on to the consumer, then we reduce the competition element in the market, and we reduce the effectiveness of the body that will ensure competition in the market. So it seems to me that Deputy Southern is, not for the first time this week, arguing completely against his own stated principles. Sir, what we need to do here is not just regard this as an easy cut but consider the consumer. What we need to do is consider the costs against the benefits. Are the costs high? Yes. Could they be reduced? Quite possibly. Can they be reduced by this amount without affecting their effectiveness? Absolutely not. As Deputy Scott Warren said, this is an investment that is well worth paying. The cost is well worth paying because the benefits to the consumer are already very clear. There will be many, many more if we allow the J.C.R.A. to continue to do its job. There will be less if we undercut it, cut away the budget from under its feet and reduce its effectiveness. So that is the equation for members today. Is it a quick cut, an easy cut superficially or is it the benefits of the consumer? It is a genuine cost benefit analysis. So, I know which way I fall. I fall fairly and squarely behind the needs of the consumer and I urge members to reject this amendment.

3.1.12 Senator J.L. Perchard:

I think with the exception of Deputy de Faye there have been nuggets in everybody's contribution that has been absolutely correct, particularly the Chief Minister's, but only nuggets. I think the Chief Minister just then has been pretty unfair to say it is an all or nothing; either we have competition or you do not cut their budget. I suggest, Sir, that the J.C.R.A. and the Jersey competition law is, as we all know, a creation of this Assembly and is now law and I do not believe for a minute there is any member of this House that believes the regulatory authority, the J.C.R.A., has acted outside that law. The law affords the competition regulatory authority very wide ranging powers which, in my opinion, are excessive. The J.C.R.A. is funded and feeds not only its States' grant but significant charges imposed on business. It has, as I say, powers that I believe are excessive, particularly in an Island environment like Jersey. It is not appropriate to cut, copy and

paste competition regulation that was drafted for countries like the United States of America and the U.K. and apply them to Jersey, and I think basically that is what we have done. As I say, I do not blame the J.C.R.A. because they are working not outside the law, they are evoking the powers that we gave them and they are doing exactly what we have asked of them so it is not their fault. But when I hear Senator Walker tell us it is an all or nothing I cannot buy that and I cannot also abide Senator Shenton's statement that I think they have done absolutely nothing positive for the Jersey consumer. I do not think either of them are right. It is somewhere in the middle of course, is it not? It usually is in politics. I do not believe, Sir, as I said, that the competition law was conceived by this House to regulate cottage industry, and it does, and they do because they are bound to. I have thought long and hard about what to do with this proposition. I will be supporting Senator Shenton simply because I intend to keep the pressure on Economic Development to revisit the law and bring back an appropriate law for Jersey which not only protects the consumer, as the Chief Minister rightly wishes us to do, but in a law that may allow discretionary powers to the regulatory authority. At the moment, Sir, they have no discretionary powers. They are bound to follow the law. I am not sure if a regulated monopoly in Jersey can sometimes provide better value for money than having 2 or 3 businesses thrashing it out for a limited market. That is why this is almost a statement... it is an underhand way, but I have spoken to the Minister about my concerns about the competition law, not the J.C.R.A., and I have been sort of dismissed because we all know that this wonderful bit of legislation is Senator Ozouf's baby and it is extremely complex, and there needs to be a review. I think by supporting Senator Shenton we may fast forward the desire of Economic Development to review the competition law.

3.1.13 Deputy J.B. Fox:

J.C.R.A., yes, it has been brought into a position, it has been given powers by the States here and the last speaker has just referred to the fact that he thinks it has been given excess powers. Oh, he has gone. There we go. It is a short life in the States here. I will be quite honest with you, I had lots of powers when I was a policeman but we did not use all the powers. They were there in case or for the circumstances that required it and it is the same with any regulatory thing. You do not have to use them; they are there in case it is necessary. Yes, there are a lot of things that are happening with the J.C.R.A. at the moment, not all of which individuals or groups of people will necessarily like or deem as appropriate, but nevertheless when you think of what it was like before we had the J.C.R.A. it is a great improvement on that era. Yes, do we need to continue with some public funding? I think at the moment that we do. We do not want to end up that it has to just self-fund itself and, therefore, concentrates on the areas where they can get resources from in order to do it like the utilities companies, et cetera, et cetera. There are smaller things that sometimes need attending to, the things that the public, especially the consumer we have already heard about, and so at this moment in time I do not think this amendment is appropriate. That does not mean to say that the Senator should not keep on monitoring because I think that that is also very important to keep an eye on whether it remains on the ball the changing circumstances within the Island et cetera. I would urge him certainly to keep monitoring it and if or when the situation changes to bring it back to the House here. Thank you, Sir.

3.1.14 Deputy P.J.D. Ryan:

I rise to bring a little bit of reality into the situation here. I can personally guarantee that the competition that there is in the petrol retailing market has absolutely nothing whatsoever to do with the J.C.R.A. Absolutely nothing. It is merely that the conditions were right after many years of semi-cartel operation. I would not go so far as to say it was a cartel. **[Laughter]** I would go so far as to say that structural changes in the market, more to do with food retailers becoming involved in petrol forecourts, has in fact driven the changes to the petrol market. I think they would have happened anyway, so for the Chief Minister to claim that it is the J.C.R.A. I am afraid he is way off the mark. Now I am going to talk a little bit more positively about the J.C.R.A. having hopefully dispelled that myth. I was the Chair of the Economic Development Committee's competition policy

sub-committee which developed the competition law. There were two other warring members on the same committee. They were the former deputy Gerald Voisin and the current Senator Philip Ozouf. To some degree there were agreements and in some other places there were disagreements. It was not an easy task but I believe that we came up with a reasonably balanced law in the end. It did not go too far down any particular line. Some people would say it did not go down enough lines. But at any rate we had a competition law and that law obviously is in place and it does need regulation. It needs a regulator to operate it, so we have it. So to some degree to say that let us get rid of the J.C.R.A., we would have a competition law that does nothing. So that is not, in my view, a starter as regards the utilities regulations. Again people will know that I was the President of Jersey Post, so I had a lot to do with this, so I have personal knowledge. It is written in law in both Telecom's law and the postal law that these... in case of Jersey Post it is still a monopoly, a State's owned monopoly, and there has to be regulation from an independent regulator. I will return to the theme of independence as far as the J.C.R.A. is concerned in a second. There has to be some utility regulation. That regulator, and again in the law, they charge licence fees for the work they do to regulate those utilities. It is written in the law that those particular utilities, whoever they happen to be, can ask the J.C.R.A. - and indeed ask the J.C.R.A. - to justify the licence fees. Whether they are asking robustly or not and whether EDD is checking that they are charging the right level of fees to those utilities is a mute point. I think that EDD need to look at that one very carefully, I think that is a crucial point as to whether the regulation of the utilities is too expensive... we will wait and see with what they come up with. I think to just cast members' minds back we had personnel running the J.C.R.A. some three or four years ago, maybe five years ago I cannot quite remember and there were some problems. I do not think the J.C.R.A. got off to a very good start, I have to say. There were some problems, members will recall, and it resulted in a change of personnel. I have to say that my confidence in the later personnel, the current personnel, is much better than my confidence was in the previous ones. It is unfortunate that J.C.R.A. did not get off to a very good start and got itself a little bit of a bad reputation locally in not really doing a good enough value-for-money job. I think that should be understood and in the back of people's minds there may still be some residual dissatisfaction with the J.C.R.A. which would be unfortunate and would also be unfair to continue to the present day. We had the old guard, so to speak, in the J.C.R.A. changing to the current new guard in the J.C.R.A. about two years ago. At the same time we had ministerial government or rather the change from the committee system to ministerial government about two years ago. At that same period of time we also had the decisions that were being made. We had a brand new Minister for Planning, all within a six month period, a relatively short space of time. I say to the Constable of Grouville - because he is very close to this one - this is when the mistakes were made. There have been mistakes made and I am talking specifically about mast and infrastructure sharing in the telecommunications market. I think mistakes have been made. I think it is pointless for the Minister for Economic Development to turn around and blame the old EDC (Economic Development Committee). I do not care who - it is pointless. Mistakes were made. Whoever was responsible for those mistakes it is a thing of the past, but let us just accept that mistakes were made. We should and we must try and do a thorough review. We must look at those mistakes and we must try and avoid the same mistakes again in the future. The current guard, the new guard of the J.C.R.A., in my view - and I have been quite close to it and keeping a very close eye on it since my days at EDC - I think that the new guard do a good job. They are certainly much better than the old guard. If I have a criticism it is that they do not have enough local context in what they do. There is still this - and it may be difficult for them because they have come from a background which is in much bigger jurisdictions - if I have any kind of worry it is that they have not been as fast in adapting to a local context and a much smaller market. I think that, again, should be part of the review. As part of that I think it was a mistake that there was not a *de minimis* set for local business acquisitions. The decision was made by the Economic Development Minister to not have a *de minimis* level below which local businesses would not need to report any changes or acquisitions of new businesses to them. I think that was a mistake. I think it would have been better to have had that *de minimis* and really take the whole lower level of Jersey business out of their responsibility.

That again, I think, needs reviewing fairly urgently. I am personally not yet ready to support the kind of budget cuts that Senator Shenton is putting before us today. I am personally not yet ready to do that. There are a number of things that I think need to be looked at and I may be in a position of supporting that kind of budget cut in a period of time. I shall have to wait and see what this review brings out. But I think that it is very important that that review is an honest one and that it is unemotional; and in that particular context I wonder whether in fact this should not be a Council of Ministers-led review rather than an Economic Development-led review. Because I do believe that certain individuals within EDD, and particularly the Economic Development Minister, is very emotionally attached to this piece of law and this piece of legislation. I believe that he should accept that it might be better if it was a Council of Ministers-led review rather than a purely Economic Development-led review. After all, this particular area goes right across the whole of the community. I would ask him to think about that. I think that the review would be better received, have more credibility, if Senator Ozouf was prepared to stand back from that. That would be my recommendation through his Assistant Minister, he is not here today, but through his Minister, I would put that to Senator Ozouf as being the way to go. Having said that, Sir, I cannot support, unfortunately Senator Shenton. I can see that, as the Chief Minister said, that it could be deemed to be an easy cut to make. I am not personally yet ready to make it. I am very much a part of the local business community and it could be said therefore that, if anything, I should be anti-J.C.R.A. I should be on the business side of things, rather than on the consumers' side. I am not. I think the J.C.R.A. does do a good job. There are parts of the competition law which are very, very important. One of them, I will just give you as an example, is that it is now absolutely quite clearly against the law for any set of local businesses in the same market to even talk to one another about price collusion. That very fact alone in the competition law, with a regulator overseeing it, is crucial actually, and just for that reason alone I think it is worth just keeping our faith in the J.C.R.A. It is time for a review. I am confident that a review will take place. It must be independent. That is where I stand at the moment, Sir, thank you.

3.1.15 Deputy A. Breckon of St. Saviour:

Can I just start by giving Members a point of clarification? The bank charges did not come from a competition regulatory authority of any description, they came from the Office of Fair Trading. It was they that instigated inquiries and got the banks to toe the line a little bit. Other Members have mentioned, Sir, that perhaps liberalisation in certain areas and lawyers and estate agents have been mentioned. If any member would like to contribute, Sir, I would arrange a retiring collection for those two particular organisations and pass it on to the appropriate body. I can say, Sir, from a Consumer Council point of view we have a very good working relationship with the J.C.R.A. and there is much that goes on really that does not necessarily see the light of day. For example, at some stage they looked at nursing homes and care charges and this inquiry came from the Isle of Man and through them Senator Syvret got that information, and it is up to them what they decide to do with it. They did look at ferry travel. They produced a very good report on ferry travel. People have appeared before Scrutiny Hearings on telephone masts and certainly retail and other things. They are also a point of contact for the public. Many people do contact them so the things that we do not know about on a day-to-day basis they are there for. They also made a contribution to the dairy inquiry and milk, they were involved with that and put in a great deal of work. I must say, Sir, as an organisation they are very professional. The Chief Executive Officer who is leaving shortly, I understand, is very, very professional and leads a professional team and they do handle inquiries in a professional way. I was interested in what Deputy Ryan has just said about there being no cartel in the petrol. If he looks in the *Jersey Evening Post* sometimes in years past he will see where the Motor Traders Federation met and agreed to increase the price of petrol by a farthing or whatever it was. But it did happen and it was, in fact, a cartel and there is still some suspicions in what is known as fragrances, which involves other things, and there are other areas as well, Sir, which I think the Authority have applied their minds and put a little pressure on out of the glare of publicity. So perhaps their worth can be demonstrated by the fact that they are there and when they

know they are there and somebody knows they have the authority then people do change perhaps their position on some of these things. I think the benefits, as other members have mentioned, Sir, are coming through. While it does seem a lot of money and it is always difficult to look at the cost and the benefit and see it initially - and mobile phones is one thing that has been mentioned - but there are other areas as well, Sir. I know they have looked at food, and supermarkets and other stuff and they have got, I think... and they started from a standing base, but they are building a database of local knowledge and information. I think that will stand them in good stead and they obviously need funding to do that. I think personally at this time it would be wrong to do that but I think as the Assistant Minister for Economic Development has said, I understand that all organisations that they fund, including Jersey Finance, will be under review and I think that is good and healthy because circumstances do change. But for the moment, Sir, I cannot support this amendment.

The Deputy Bailiff:

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

3.1.16 Senator B.E. Shenton:

The Connétable of Grouville started by talking about the telecom industry. I think it should be remembered that it is competition that has brought down prices not the regulator. We still do not have number portability. When we were doing the mobile mast review we found an Ofcom recommendation; if you are bringing in competition on mobile phone masts, put all the masts into one company and make sure they share them. Unfortunately no one bothered to do this, which is why we have masts all over the Island. The Connétable also mentioned the airport and it reminded me of the fact that Economic Development have signed a monopoly contract at the airport whereby all catering and retailing goes to one company. I did ask the J.C.R.A. to have a look at this but obviously they are more interested in global issues.

Deputy A.J.H. Maclean:

Point of clarification if I may. Economic Development did not sign an agreement.

Senator B.E. Shenton:

Economic Development are responsible for an agreement that was signed giving a monopoly to the airport retail and catering and it is up to Economic Development to get out of that contract because it stops local firms operating at the airport. Deputy Troy mentioned about newspapers and how they did not seem to be interested in small local issues. This is part of the problem. I think the J.C.R.A. have ideas above their station. Deputy Duhamel said it was a luxury we cannot afford. I would tend to agree with him on that. Deputy Maclean spoke and he mentioned that my proposition to cut funding was unsubstantiated. What he should remember is the level of funding that they are currently receiving is unsubstantiated and, in my opinion, is excessive for an Island as small as Jersey. He mentioned that they are cost-effective but we have no actual evidence that they are cost-effective. They mention that telecoms regulation should be self-funded. Whereas they insist that Jersey Telecom produce accounts breaking down every level so there is no cross-subsidisation, they do not do it themselves. Deputy Maclean stood on an election platform of cutting red tape and cutting public expenditure. Now he has an opportunity to do this. Where is the evidence that the Competition Authority has achieved what he has said they have achieved. They have also carried out all the obvious actions. All the historic monopolies and cartels have now been broken and that is why I want to cut funding going forward because there are not the cartels and monopolies in existence for them to break down. Light touch, when I say light touch, what I mean by light touch is not feeding the law firms. It is the small firms that are paying for costly advice and I believe indeed that there are whole departments set up just to deal with regulation issues and the lovely fees that the lawyers get for handling them. Deputy Southern got it right, you cannot prove any benefits from having the J.C.R.A. because the economy was just as successful before we threw almost half a million pounds at it. Do not forget it is ultimately the consumer that pays these fees. Deputy Power

spoke and mentioned he had an open mind. I hope he will support this proposition. It is not just the amount that we fund them but it is the amount they cost businesses that ultimately comes out of our pockets. Free markets work best without interference. Deputy de Faye asked whether I see my father regularly. I do see him quite often and we have a game of Monopoly. **[Laughter]** We have our own type of Monopoly **[Interruption]** and he always seems to end up owning the harbour. **[Laughter]** He spoke of local cartels and confirmed that the obvious ones have been dealt with. So why not cut their funding in the future. I did wonder at one point whether he was going to mention the bus monopoly. Deputy Martin points out, quite rightly, the weakness of the Council of Ministers' case. Perhaps the Council of Ministers needs some new blood. **[Laughter]** Deputy Scott Warren is not going to support the proposition on the basis that she has a constituent that is seeking advice from the J.C.R.A. at the moment and that J.C.R.A. are exceedingly busy but they will help her.

Deputy C.J. Scott Warren:

Point of clarification. That was not the only reason that I am supporting them.

Senator B.E. Shenton:

Perhaps they are exceedingly busy because they are investigating the global takeover of an ABN Bank by RBS. Deputy Ferguson made some very good points and I hope that she will support this amendment. Senator Walker, I think I heard him say that it was a good proposition and we should consider the needs of the consumer. But Senator Walker is simply wrong. The J.C.R.A. has not introduced any competition since it was announced. He says the Safeway/CI Traders takeover would not have been allowed by the J.C.R.A. which is quite an assertion.

Senator F.H. Walker:

On a point of correction, I did not say that. I said it may not have been allowed. I do not believe it would have been allowed under the terms of entry.

Senator B.E. Shenton:

Senator Walker does not believe it would have been allowed if the J.C.R.A. had been in existence. What would have happened to Safeway then? He mentioned lawyers and lawyers' fees and the cartel. It is the lawyers that benefit most from this law, as I said before, they have whole departments dealing with J.C.R.A. issues. Would postal charges be lower if they did not have regulation fees to pay? Stevedoring was mentioned. I do not get involved on that side of things because of obvious conflict, but I think ultimately we are going to end up with one stevedoring company. At the moment we have one stevedoring company. So there is going to be a big improvement there then. Senator Walker says if this law is passed we will have less competition when G.S.T. comes in. I wonder if he could advise the House which businesses will be forced to close down if this proposition goes through. Senator Perchard said that the law is too wide-ranging. What I need to reiterate is that all we are looking for is budget cuts here. We are not looking to get rid of the Competition Authority; we are just trying to make it smaller and more locally focussed. Deputy Fox spoke and gave the impression that he thought that we were trying to eliminate the funding for the J.C.R.A. when this is not the case. If you look at revenues all we are looking to do is slice 10 per cent off revenues in 2009. Nothing in 2008. Deputy Ryan mentioned about petrol pricing. Which I think is more to do with the *Jersey Evening Post* publishing figures and making the petrol stations and the consumers aware where to shop. Perhaps with a smaller budget the J.C.R.A. may be more focussed on local issues. Deputy Breckon said that they have a good relationship with the J.C.R.A. and that the J.C.R.A. had looked at ferry travel. They looked at retailing. They looked at nursing homes and they looked at the dairy inquiry. But it is no good just looking at things. Where is the evidence that any of these inquiries have brought down prices? Producing reports does not achieve anything for the consumer. I would hope that the House will support this amendment. As I say it is no cut in 2008. It is a small cut in 2009. Hopefully - with a

review also in place which I believe has been agreed - the J.C.R.A. may become more focussed on local issues and the local consumer and get off their high horse and start spending their money where it should be spent. I ask for the appel.

Deputy J.B. Fox:

Just a point of clarification, I was not proposing that we cut it out. I was just proposing we should not cut anything at this moment in time.

The Deputy Bailiff:

I invite members to return to their seats for the vote on the amendment of Senator Shenton. I invite the Greffier to open the voting.

POUR: 17

Senator B.E. Shenton
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Helier
Connétable of Grouville
Connétable of St. Brelade
Deputy R.C. Duhamel (S)
Deputy of St. Martin
Deputy P.N. Troy (B)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy J.A. Hilton (H)
Deputy P.V.F. Le Claire (H)
Deputy D.W. Mezbourian (L)
Deputy S.S.P.A. Power (B)
Deputy K.C. Lewis (S)

CONTRE: 20

Senator L. Norman
Senator F.H. Walker
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Connétable of St. Clement
Connétable of St. Martin
Connétable of St. Saviour
Deputy A. Breckon (S)
Deputy J.J. Huet (H)
Deputy C.J. Scott Warren (S)
Deputy J.B. Fox (H)
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy G.W.J. de Faye (H)
Deputy of Trinity
Deputy A.J.D. Maclean (H)
Deputy I.J. Gorst (C)

ABSTAIN: 0

4. Annual Business Plan 2008 (P.93/2007): Total States' Net Expenditure (...continued)

The Deputy Bailiff:

So then we return to the debate upon paragraph 3 of the proposition as originally proposed a little while ago. Does any Member wish to speak on the main proposition? Deputy Breckon.

4.1 Deputy A. Breckon:

Just a few comments. A few members mentioned this morning the fact that people were putting down amendments it was too late to give consideration to, substantive amendments. Then perhaps that is because of process, process, process. Where are we? This was lodged on the 17th July and was due to be debated last week. So there within if members are saying - and the system does not allow substantive amendments to be made - then what is the point, I would ask, of the whole process? The idea of members getting it - and there was a foreword from the Chief Minister in the front that said: "If you would like further information contact departments" or whatever it may be, and if members individually or Scrutiny Panels or anybody else did not have the opportunity to amend it, then what I would ask, what is the point of the process and therefore the fact that it has been extended by one week, and that looks like going into the second week, Sir, does raise a number of questions. I know the Chief Minister had said it is something that is under review about how we do this, how we look at it, how we get to this stage and to the debate. The other point I

would like to make, Sir, what were - and I do not know, they are still not all present - but what were the angry young men seen to be about the spending, has now been calmed if not sedated. We have moved, as it were, to another point. But I would like to think that we do not stop there because the pressure has been taken off. That we do realistically look at public spending. Something that Senator Walker mentioned this morning, and I do remember it, when there was a review across the public sector, and I remember he invited me with Senator Kinnard to meet with him to discuss some of this, and the question is, what do we do now? I think at the time it was something like £1 million that was spent and the outcomes, to say they were uncertain I think is probably an understatement because somebody of it, said: "We are stretched to the limit, we need more resources," and I, and perhaps Senator Kinnard, felt at the time that perhaps this was not the review that we thought we were going to get. So I think if we do review spending that there is no axe coming out, it needs to be done in a pragmatic way and people are already volunteering for that, but it must be done, I would think in a transparent way. Another thing I would like to say, Sir, and it did come from a statement that was made by the former Finance and Economics Committee by the president at the time, who is not sitting too far away from me, Treasury and Resources Minister, this was in the reporting accounts for 2003 and the comment that was in his contribution at the time said this: "Hence in the fiscal strategy to be put before the States shortly, the committee is proposing making real cuts to States' expenditure by restricting absolute increases to one per cent less than the Retail Price Index over the period to 2009." The reason I say that, Sir, is that we have had this debate over the last day and a half, but in fact it did happen for the first year as the Minister but because of other pressures it has not happened. Other members have mentioned this morning - it might have been this morning, it might have been yesterday - about the fiscal strategy and the deal that was done. Part of the deal on the tax and spend was that spending would be reduced and the Minister's comments are there, there is even a very good photograph there as well, Sir, but the reason I say that is because there was an amendment and people say: "Well, this is a surprise." But it is not, it probably took us back at a three point, whatever it is, increase to what we said or what the former Finance and Economics Committee said they would do at the time; that was part of the deal I think, with the public. I think that is part of where the frustrations are and I understand the pressures on spending, I hope it is seen as a criticism but a constructive one. The other problem I have, Sir, is as a non-accountant I have looked at the accounts for 2006 - this is again something that came up through the Public Accounts Committee - because we agreed in 2006 net revenue expenditure approved in the 2006 Business Plan was £478.59 million. Then added to that was a carry forward from 2005, contingency from the 2005 general reserve, transfers between capital and revenue and other transfers. That came out, Sir, at £503 million. But what the House approved was £478 million. I think, Sir, that is the difficulty I have with some of the final capital sums because what is happening is we seem to be rolling numbers from year to year but this House has not agreed. To me it is a bit smoke and mirrors as a non-accountant. There are a couple of other things in there, Sir, that I did mention yesterday and it seems to be that there is a - it might have been yesterday or the day before - there seems to be still a lot of money laying around or unused. There are two sums which to me are significant - this is in the Treasury's Report for the end of 2006 - £102.7 million of consolidated fund expenditure related to capital projects approved by the States but yet to be incurred. Again to me that is a significant amount when we are arguing about - as we are - a catch here and there. The other significant amount was an unspent balance of £10 million in the computer development vote. Perhaps, Sir, we have not in the past given too much attention to the reporting accounts to see what we do. We vote something and, as I say, as a non-accountant looking back on some of this stuff, it does not appear to me that we do what we voted to do. I am not saying there is anything untoward about that, because there are carry-overs and various things, but if somebody then is massaging these numbers it looks like we might be saving or spending or doing whatever. I just conclude by saying one thing, Sir, we have a difficulty because we are being asked to vote for a big number. Then what happens to it after that is really out of our control. It can be spent on something else. The only way to reconcile that is to come back to this - and it does really worry me, Sir, that we are doing that and there is some money from a manoeuvre to move

capital resources and whatever, and I must say to the Connétables that the parish accounts are much simpler than this and we do have some debates at Parish Assemblies about the issues, but here it seems that because of process and the way we do it, we have not been able to get to the detail. I hope that this working group whatever, it is going to be able to do that because I think the whole process needs to have greater transparency. These are accounts... questions were asked: "Who are they for? Whose consumption are they for? Who understands them?" The answer to that, Sir, is probably nobody - probably nobody. I think we are fortunate, I would say, that we have in the Comptroller and Auditor General a very talented person I think who could give us some guidance on this, but I do really think we need to get this together so that we, as a House, and individuals when we are agreeing something can have some comfort that what we are agreeing is what we agree. I do not think that that is being pedantic, I think that gives some certainty to the departments, gives certainty to the Ministers that they can... I mean things you cannot allow for like foot and mouth, I am not saying that we should have people shackled up - but I do feel, Sir, that we need more clarity and more certainty in what we are deciding than we have at the moment. If that is a failure of the process I would ask the Chief Minister to note that and I hope he will take it in the sentiment that it is offered because I think we do have something that we need to look at. We have had a debate on an amendment and I think it is slightly sad in the way that some of that got focussed and personalised in some ways and perhaps belittled even, but I think it was well-intended, it was done within due process, that is the process that we have and what has happened has just happened. But I think this is a clarion call perhaps to us all, and I think the public out there demand that and I think we should deliver it.

4.2 Deputy P.J.D. Ryan:

The Minister for Treasury and Resources cannot and will not agree with what I am about to say, neither will the Chief Minister because he cannot agree and will not agree with what I am about to say. The committee system where we had a Finance and Economics Committee of five very honourable and very clever and very professional people had more control over the economic and the financial affairs of the States than in fact the Treasury and Resources Minister currently has. That, I believe, is fact. It is worrying. One can only think of what the current budgetary, the fiscal strategy, the general forecasts and budgets and finances of the States would look like if we still had people such as ex-Deputies Grime and Crespel backing up the Treasury and Resources Minister. I do not expect him to make a comment on this, let me say that straightaway, but I believe that we have lurched into a less economically, a less financially prudently controlled situation as a result of the change from the committee system to the current Council of Ministers. I stop there because I do take heart from something that the Council of Ministers said before, I have already alluded to it, Deputy Gorst made a suggestion, it was there was a public agreement from the Chief Minister that we would have some kind of committee, if that is what it is, some kind of different system, we are not quite sure, any of us yet, what it will be. But I do take heart that there may indeed be some recognition that we need to get some better financial control in place. Sir, I am not going to say anything else but I feel that that statement that I have made is the truth. I see nodding heads around the Chamber, those that were used to the old committee system as opposed to the Council of Ministers I see nodding their heads. I leave it there and I look forward to perhaps some changes in the not too distant future.

Connétable D.F. Gray of St. Clement:

I was merely going to draw your attention to the time, Sir. It is now 5.30 p.m.

The Deputy Bailiff:

I was rather hoping we might be able to finish paragraph (b). Is anyone going to speak on paragraph (b)?

4.3 Deputy S.C. Ferguson:

I have not had a reply from anybody about why Education's budget was not reduced by £1.3 million when the pension payments were taken over by the central function and I would ask Members who have been affected by the touching pictures of the prison recently to ask themselves why with a budget of £41 million, of which the police budget is £22 million, the fire service, the police and the customs have never produced savings on the scale of the prison. Why is the prison always the easy target? I do not agree with this budget, Sir, I will probably vote contre.

The Deputy Bailiff:

Does anyone wish to speak on paragraph (b)? Very well, I call upon the Minister to reply.

4.4 Senator T.A. Le Sueur:

Thank you for that. I will try and be brief. I thank those three members who have spoken. Deputy Breckon about the process. We all agree that the process is still evolving, it can improve. In fairness I will point out that this plan was lodged on 17th July and now it is just about 21st September. What we need to do is to ensure that 17th July is not the first time in which these figures are seen by most Members. We can improve on that, I am sure. He reminds me of what I said in the 2003 accounts of keeping spending to one per cent below RPI, maybe I was a bit unrealistic and optimistic there but it was something that I would like to have tried to achieve, at least RPI. But equally I have to be realistic about what social pressures we need. He then goes on to talk about the increase between what was voted and what was spent in the accounts. Of course, there will, every year, inevitably be some variance. I would point out to him that under the new Public Finances Law a lot of this has been tidied up. Because there is no longer any general reserve, there are no longer any caves for us to dip into. No longer any way of getting hold of additional funds. If there is still a facility to transfer between capital and revenue there are two safeguards, if not three for members. Firstly, that those transfers have to be reported by me to this House, so they do not go unnoticed. Secondly, what we are voting about at the moment is total States' spending. At the end of the day whether you call that spending capital or revenue - as an accountant I sometimes have difficulty in deciding why the States themselves call the capital, which I would call revenue, spending. It is the total that is important. It is the total that we are working on today. Is there still money lying around? As far as the capital funding is concerned, of course you vote the capital funding in one year but many projects will last over two, three, even four years, and you vote the whole amount at the start, that is the nature of the States' funding. So there will always be capital approved, not yet spent. Similarly with the computer vote, that old thing was a bit like the rolling programme for roads and trains. We ended up with more money in there than perhaps was needed for one year and so we will see in subsequent years' votes that that figure has been cut down. Are we massaging the figures? No, no, we are not. We are voting for a large number. He says: "What happens after that? The States' members have no control." That I would disagree totally because I think in setting up the Public Accounts Committee one of the roles of the Public Accounts Committee, perhaps the main role, is to hold officers to account that they have in fact delivered what the States ask them to do when they approved the Business Plan. He asked who understands the States' accounts. I appreciate they are not the easiest things to understand. I can assure him that the States' Treasurer does. I think I do with a bit of difficulty. Of course, my Assistant Ministers also but more importantly I believe the Comptroller and Auditor General does. He has the duty then to audit them and also to advise the Public Accounts Committee. Can they be clearer? Yes, they can. Can they give more detail? Yes, they can but on the other hand I suspect they are giving so much detail in the accounts now you end up getting more confusion. I will pass on to Deputy Ryan who claims as a fact - although I dispute that - that the old F and E Committee (Finance and Economics) had more control than I currently have. I think what it had certainly was five very good members on the last F and E Committee and I pay tribute to those people. They were good. But the fact is they were working under a different system. We have a system now which has a strategic plan. So it is those objectives which the States' members set as a whole which I, as Treasury Minister, and the Council of Ministers have to

implement. But the decision of where money is spent is in the hands of States' Members. Control remains in the hands of States' members and that is why we are here for the last 4 days and will be next week, no doubt. Finally to Deputy Ferguson, she asks for a comment about the Education, Sport and Culture budget and the £1.3 million for the pension fund. May I remind her that in last year's Business Plan we proposed, and the States agreed, that that money - that £1.3 million - the pension fund shortfall should be added to the Education Committee's budget that year and every subsequent year. The money is in Education's budget, the purpose for it to be spent is pensions and nothing else. She asks what... **[Interruption]** I will point it out to the Deputy afterwards. **[Laughter]** She questions why the police and customs cannot make more savings, this is probably not for me to answer but I will say that the Department of Home Affairs Minister has been given a target of efficiency savings to deliver and that the Minister and that department has had to find those savings where they best can. If one has to give more than the other that is always the nature of trying to find savings in the best way. But I thank members who have spoken. I think we are now in a position where we can agree that the wording of this - this is voting about the total States' expenditure for the next five years. But these are the total that we are now agreeing they will not exceed the figures in this plan. I am proposing that, Sir, and I ask the appel.

The Deputy Bailiff:

The appel is asked for then on paragraph (b) of the proposition which relates to total net expenditure. I invite members to return to their seats and the Greffier will open the voting.

POUR: 29

Senator L. Norman
 Senator F.H. Walker
 Senator W. Kinnard
 Senator T.A. Le Sueur
 Senator P.F. Routier
 Senator M.E. Vibert
 Senator B.E. Shenton
 Senator J.L. Perchard
 Connétable of St. Ouen
 Connétable of St. Clement
 Connétable of St. Brelade
 Connétable of St. Martin
 Connétable of St. Saviour
 Deputy J.J. Huet (H)
 Deputy of St. Martin
 Deputy P.N. Troy (B)
 Deputy C.J. Scott Warren (S)
 Deputy J.B. Fox (H)
 Deputy P.J.D. Ryan (H)
 Deputy of Grouville
 Deputy of St. Peter
 Deputy J.A. Hilton (H)
 Deputy G.W.J. de Faye (H)
 Deputy J.A.N. Le Fondré (L)
 Deputy D.W. Mezbourian (L)
 Deputy of Trinity
 Deputy S.S.P.A. Power (B)
 Deputy A.J.D. Maclean (H)
 Deputy I.J. Gorst (C)

CONTRE: 8

Connétable of St. Helier
 Connétable of Grouville
 Deputy R.C. Duhamel (S)
 Deputy A. Breckon (S)
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy S.C. Ferguson (B)
 Deputy P.V.F. Le Claire (H)

ABSTAIN: 0

The Deputy Bailiff:

That concludes paragraph (b). It is after 5.30 p.m.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

The Connétable of St. Clement (Chairman of the Privileges and Procedures Committee):

I was asked at lunchtime by the President of the Assembly at that time to sound out members on how members would like to proceed. Having done so, Sir, I would like to propose that we adjourn now and re-assemble at 9.30 a.m. on Tuesday, 25th September and continue this debate and postpone consideration of the Order Paper for that day until this debate is finished.

The Deputy Bailiff:

I am just unclear. Tuesday is an ordinary sitting of the States, is it not? Are you suggesting this is the first item of Public Business then? Because Standing Orders require us to have questions and other matters. Unless, gentlemen, you wish to propose that in effect we continue this meeting on Tuesday, is that what you are suggesting, and then move on to the beginning of the following meeting with questions and so forth?

The Connétable of St. Clement:

Exactly, Sir.

Senator F.H. Walker:

Sorry, Sir, I think we need a little bit more guidance than this because a quick glance at the Order Paper that is down for next week, it is very obvious it is impossible, absolutely impossible as it stands. It does seem to me that there are quite a number of items down which are not time critical, and I would urge either Ministers or private members who may have propositions that fall into that category to see if we can hark them for another day because there is no way we are going to get through the business as scheduled next week. I think there needs to be some co-operation between P.P.C. and the movers of a number of the propositions, Sir

Senator T.A. Le Sueur:

It does strike me that there is quite a large quantity of items on the Order Paper for next week anyway. But postponing those to the future meeting I do not think solves the problem because if one were to look at the Order Paper for two weeks thereafter, I think the agenda could be even longer. So we are not really solving that problem. It does strike me that it would be better to get this Business Plan out of the way and I think we probably could deal with it on Monday morning as a half day's of operation and then come back on Tuesday with the States sitting in the normal way. I know that is not what the present P.P.C. is recommending but I would propose that as an amendment.

The Deputy Bailiff:

What I can just say in relation to that is looking at the order of events, most of the amendments have in fact fallen away as a result of consequential matters. As I see it at the moment there is one amendment to paragraph (c) and one amendment to paragraph (g) and one to paragraph (i). I think those are the only amendments to that Standing Order.

Senator T.A. Le Sueur:

I would like to be as optimistic as you, Sir, that those could be dealt with relatively quickly. Even after that there is also P.103 sitting there on this week's Order Paper which will have to be dealt with either then or at the next session. So we are simply adding, I think, more pressure onto the following day's meeting.

The Deputy Bailiff:

Do we have a proposition then?

Senator T.A. Le Sueur:

I propose we sit on Monday morning at 9.30 a.m. to complete this business.

The Deputy Bailiff:

Is that seconded? [**Seconded**] It is the right course to take a vote on that proposal. The proposal is pour or contre the proposition of the Treasury and Resources Minister that the Assembly sits on Monday simply to complete this Order Paper. The Greffier will open the voting.

POUR: 8

Senator L. Norman
Senator T.A. Le Sueur
Senator M.E. Vibert
Deputy R.C. Duhamel (S)
Deputy J.J. Huet (H)
Deputy of St. Martin
Deputy J.B. Fox (H)
Deputy P.J.D. Ryan (H)

CONTRE: 29

Senator F.H. Walker
Senator W. Kinnard
Senator P.F. Routier
Senator B.E. Shenton
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Clement
Connétable of St. Helier
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. Saviour
Deputy A. Breckon (S)
Deputy P.N. Troy (B)
Deputy C.J. Scott Warren (S)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy I.J. Gorst (C)

ABSTAIN: 0

The Deputy Bailiff:

The Assembly is going to sit on Tuesday so the proposal from the Chairman of P.P.C. is that we begin on Tuesday by continuing this sitting. Then we continue with the scheduled sitting. At the moment do you not wish to say anything about what matters should be considered at that meeting? At the moment before us are scheduled a list of matters to be dealt with at the sitting commencing on 25th September.

The Connétable of St. Clement:

It may be that members might over the weekend consider whether their particular projets are important or not and then notify the Greffier.

The Deputy Bailiff:

Do members not need to take a theoretical decision to take them all unless people withdraw them, because otherwise nobody knows whether to prepare for debate on those matters? I take it therefore that the Assembly does approve all the matters listed on the Order Paper on 25th September except those which have already been removed and, as I understand it, all members are urged to give consideration as to whether their particular matters have to go ahead at the next meeting.

Deputy A. Breckon:

Could I just say on the Order Paper it does say that the sitting could be Tuesday, Wednesday and Thursday so perhaps members should be mindful of that now rather than somebody complain about it on Tuesday.

ADJOURNMENT

The Deputy Bailiff:

I imagine members can probably take that as read. Very well. That concludes the matter then. The Assembly stands adjourned until 9.30 a.m. on Tuesday.