

4.6 Deputy M.J. Higgins of the Minister for Economic Development regarding the current and projected financial situation of Jersey Airport:

Will the Minister outline the current and projected financial situation of Jersey Airport and advise how he intends to finance or eliminate any deficits?

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

The airport published a trading deficit of £4.3 million in 2010 following the introduction of G.A.A.P. (Generally Accepted Accounting Principles) accounting. The 2011 Business Plan showed a projected deficit of £2.5 million but this will now be less based on improved year-to-date figures. In 2012 the deficit is shown as reducing to £716,000, all these figures include depreciation. All deficits are funded from the Airport Trading Fund. During my statement to the States Assembly in September this year, I advised Members that I have instructed the Group Chief Executive Officer for the Airport and Harbours to prepare a business case for the incorporation of the combined business. Included in this business case would be the envisaged financial sustainability of the organisation, which has been subject to independent modelling by Deloitte. As the business case has not yet been finalised it is not prudent to speculate at this stage the full financial implications. However, as I have promised in my statement, this Assembly will have the opportunity to debate the business case for incorporation when it is presented in the first quarter of 2012.

4.6.1 Deputy M.J. Higgins:

I notice the Minister's figures do not talk anything about capital and capital investment in the airport, which needs substantial sums of money. However, I would like him to explain how he can justify the paying of almost £90,000 to the former Airport Operations Director who resigned 6 months earlier than the end of their contract, a sum of which is in excess of her actual salary or entitlement, i.e. they paid another enhancement. Could he also explain why he is continuing to ...

The Bailiff:

One question at a time, Deputy.

Senator A.J.H. Maclean:

The Deputy should be aware that I am not going to stand here in the Assembly and discuss individual details of staff at the airport or anywhere else for that matter. The figures that he has quoted are mere speculation. I am not going to confirm whether it is correct or incorrect, but I simply will not discuss personnel matters relating to individuals.

4.6.2 Senator L.J. Farnham:

Obviously being new to the Assembly I am not familiar with the latest figures of the airport, but does the Minister happen to know what element of the losses that have been shown lately is depreciation and what is the trading profit and loss situation?

Senator A.J.H. Maclean:

The Senator asks a very relevant question. In fact, it was only in 2010, I made the point in my opening remarks, that G.A.A.P. accounting was introduced at the airport, and that has resulted in the loss. Originally in the Business Plan £216,000 profit was shown, the depreciation element makes up the balance but I am happy to give more detailed figures to the Senator if he would like it.

4.6.3 Deputy M.J. Higgins:

I would also like to ask the Minister how he can justify the continued employment of the former Airport Director, I believe, on his original salary in a lesser role than he actually had and in a role for which he has no formal qualifications, experience or competence. If he can also tell us what the current situation is regarding the air traffic controller who was employed at £65,000 per annum and who has continually failed his radar examinations?

Senator A.J.H. Maclean:

I think I have already mentioned to the Deputy that I am not going to talk about individuals and individual cases. It is not appropriate to do so. I have every confidence in the management at the airport. I have every confidence in the Group Chief Executive, and I am very satisfied with the arrangements that have been put in place to date. The financial position at the airport is improving dramatically thanks to the hard work of not only the Shadow Board but also the new Group Chief Executive and his team. I think Members of the Assembly can draw confidence from that. It was not long ago, a matter of months, that I was standing in this Assembly indicating that something like £100 million funding gap between now and 2023 was what the airport was facing. Currently we have moved that out to 2032 and it is reduced to £44 million. Great progress has been made and I have great confidence in the management of the airport.