

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 12th MAY 2015

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[9:30]

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

COMMUNICATIONS BY THE PRESIDING OFFICER

1.1 Welcome to H.E. the Lieutenant Governor

The Deputy Bailiff:

There are a number of items under A. Firstly, may I, on behalf of Members, welcome His Excellency to the Chamber this morning? **[Approbation]**

1.2 Welcome to Mr. R.J. MacRae, H.M. Attorney General

The Deputy Bailiff:

Secondly, I would also like to welcome our new Attorney General to his first ordinary sitting of the Assembly. He was, as Members will be aware, sworn into office on 5th May and his first sitting was the special sitting of the Assembly on Liberation Day on Saturday. I am sure that the rosy view he may well have formed of the workings of the Assembly from his one experience will withstand his experiences to come and I welcome him to the more routine work of the Assembly. **[Approbation]**

Connétable L. Norman of St. Clement:

On behalf of the elected Members may I also congratulate the Attorney General on his appointment and to wish him every success in this new role? **[Approbation]**

Mr. R.J. MacRae, H.M. Attorney General:

Sir, Connétable Norman, thank you very much for those kind words of welcome. I look forward to working with you all in the years ahead. Thank you very much.

1.3 Liberation Day celebrations – appreciation

The Deputy Bailiff:

On the matter of Liberation Day, I would like, if I may, publicly to thank and to pay tribute to all those who helped in the preparation of the celebrations this year. As Members know a lot of people put a great deal of work into the preparation for Liberation Day, very often doing it on their own time and on an entirely voluntary basis. So I really do wish to express my appreciation for this effort, which I have personally witnessed in part for the first time. This year the celebrations, lasting as they did a whole day and in 2 different locations, really did place extraordinary demands on people and I would like, if I may, to make a special reference to the Bailiff's Chief Officer, David Filippini and his team who were absolutely essential to the success of the occasion. **[Approbation]**

1.4 Advocate E. Millar - appointment as Viscount designate

The Deputy Bailiff:

Lastly, under A I have pleasure in announcing that following a detailed recruitment process the Bailiff has appointed Advocate Elaine Millar to be the next Viscount following the recent retirement of Mr. Michael Wilkins, to whom tributes have been paid already, from that post. Advocate Millar has held senior positions in both the legal profession in Jersey and in the finance industry, as well as working for a period within the Viscount's Department and gaining familiarity

with the demands of that office. She brings a broad experience to bear on her new office, which she will take up later in the year.

QUESTIONS

2. Written Questions

2.1 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE CHIEF MINISTER REGARDING SALARIES PAID TO LAW OFFICERS:

Question

Could the Chief Minister, in his capacity as Chairman of the States Employment Board, provide a breakdown of the salaries paid to each of the Law Officers over the past 5 years? Will he further provide specific details of the revised pay and rewards scheme referenced in the Resources Statement to the Strategic Plan including, if possible, details of how much in salaries will be paid to the Law Officers in the foreseeable future?

Answer

The Modernisation of Reward for Legal Advisers in the Law Officers' Department

Background History

The revised pay structure referenced in the Resources Statement to the Strategic Plan refers to the roles of legal advisers working in the LOD and not to the two Law Officer roles.

Due to data protection legislation, it is not possible to provide a breakdown of the salaries paid to each of the Legal Advisers of the Law Officers' Department (LOD) over the past 5 years. However, below are the pay bands applied from 2010 to date.

	Grade	Salary Scale Wef 01/01/10	Salary Scale Wef 01/01/11	Salary Scale Wef 01/01/12	Salary Scale Wef 01/01/13
Principal Legal Adviser	Max	£138,339	£141,106	£141,106	£142,517
	Min	£123,836	£126,313	£126,313	£127,576
Senior Legal Adviser	Max	£120,281	£122,687	£122,687	£123,914
	Min	£105,089	£107,191	£107,191	£108,263
Legal Adviser	Max	£98,803	£100,779	£100,779	£101,787
	Min	£64,278	£65,564	£65,564	£66,220

Ne

new pay and rewards scheme

In the new structure there are three Legal Adviser levels, a Senior Legal Adviser level and a Principal Legal Adviser level.

The new rates set for Legal Advisers consider local and UK market information as well as step increments between the levels. The changes are intended to assist with recruitment and retention, and with our ability to maintain a more affordable and sustainable pay structure. There are potential

savings from lowering the minimum and maximum pay points for legal advisers, as well as the maximum pay point for senior legal advisers and principal legal advisers.

Old Pay Bands wef: 2012/2013			New Pay Bands wef: 01/01/2013	
Principal Legal Adviser	Max	£142,517	Principal Legal Adviser	£140,000
	Min	£127,576		£136,000 £132,000
Senior Legal Adviser	Max	£123,914	Senior Legal Adviser	£120,000
	Min	£108,263		£116,000 £112,000
Legal Adviser	Max	£101,787	Legal Adviser 3	£100,000
				£96,000
				£92,000
	Min	£66,220	Legal Adviser 2	£80,000
£78,000				
£76,000				
£64,000				
Legal Adviser 1			£62,000	
			£60,000	

The design of the new Reward Structure for Legal Advisers allows incremental progression only when an individual is assessed as meeting the relevant competency requirements. Progression is no longer based on time served in post.

2.2 THE CONNÉTABLE OF GROUVILLE OF THE CHIEF MINISTER REGARDING LEAN INITIATIVES:

Question

Will the Chief Minister give an estimate of the number of LEAN initiatives that have been carried out across States Departments and an estimate of how much money has been saved by those initiatives? Furthermore will he give the 5 best examples of those initiatives that have been introduced and how much money has been saved in each of those examples?

Answer

Lean techniques aim to create more value for customers with fewer resources. It is not principally about saving money; however it is commonly accepted that using Lean practices to minimise waste and streamline practices can save resources, and therefore money.

Lean training for staff began in 2012 in the Health and Social Services Department (HSSD), and was extended to the rest of the organisation in 2013. Just over 800 members of staff have been trained to support improvement projects as a part of a team and to conduct small projects as part of their role.

A further 80 staff have been trained to a higher level, enabling them to both lead and support service improvement projects, as well as delivering coaching and training for others. Health and Social Services also has four expert practitioners.

It takes a number of years to fully embed a Lean approach into an organisation, and a continuous improvement culture is now gathering momentum in our public sector. This attitude to change is becoming increasingly important as we restructure the organisation to make savings and prepare for the future.

More than 300 Lean projects have been run across the organisation.

1. Examples from Health and Social Services

	Initiative	Saving achieved to 30/04/15
1	Hospital Dining Room (Thyme Out)	£180,700
2	Patient Food	£65,000
3	Air Mattress Hire	£45,000
4	Petty Cash Process	£35,000
5	Weekly Call Point Testing	£29,500
	Total	£355,200

A number of other initiatives have released more time for staff to spend on patient care:

Initiative	Time released to patient care per year (hours)
Nursing Appraisal	4,750
EAU Board Round	560
SNS Timesheets	402
Samares Ward Food Service	365
Meeting Rooms & Robin Ward Food	263
Total	6340 (equivalent to 3.25 full time staff)

2. Examples from Social Security Income Support

The way claimants inform the department of a change in circumstances has been changed and as a result the average processing time has been reduced from a target of 10 days (sending in a form) to 30 minutes (if the customer is present) or 3 days (if the information is received by post or email).

In the first year of operation this change has:

- significantly improved customer satisfaction
- allowed more than 5,000 changes of circumstance to be processed while the customer waits
- **saved at least 700 staff hours, and approximate salary costs of £11,400**

It is anticipated that further benefits will emerge as the project review is finalised.

Reduced rate class 2 contributions

Closer cooperation with the Taxes Office has streamlined the process of calculating class 2 contributions (paid by self-employed and non-employed people)

This change has:

- reduced the interaction required from customers
- significantly improved customer satisfaction
- reduced tax liability reprints requested from the Taxes Office
- **saved approximately 1,700 staff hours per year, equating to salary costs of £28,000.**

2.3 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE CHIEF MINISTER REGARDING EMPLOYEE REMUNERATION:

Question

Could the Chief Minister, in his capacity as chairman of the States Employment Board, provide a breakdown of the number of civil servants employed on the pay grades between 12 to 15 and would he provide figures showing how many of each of those categories are employed by which departments?

Answer

Employees on Civil Service Grades 12 - 15 as at 30/04/2015					
Department	CS12	CS13	CS14	CS15	Grand Total
Chief Minister's Department *	17	18	15	7	57
Department of the Environment	24	14	7	5	50
Economic Development	4	2	4	2	12
Education, Sport & Culture	5	14	6	6	31

Health & Social Services	45	28	17	5	95
Home Affairs	7	6	2	4	19
Non Ministerial States Funded	8	4	3	3	18
Social Security	12	5	2	4	23
States Assembly	2				2
Transport & Technical Services	8	11	6	5	30
Treasury and Resources	12	9	19	3	43
Grand Total	144	111	81	44	380

* This figure includes three civil servants who work for External Relations. The numbers have been included in Chief Minister's Department figures to avoid identifying individuals.

2.4 DEPUTY J.A. MARTIN OF ST. HELIER OF THE CHIEF MINISTER REGARDING REGISTRATION CARDS:

Question

Further to the response given on 28th April 2015 to written question (8763), will the Chief Minister simply provide the number of people applying for a registration card for the very first time during the period 1st January 2015 to 31st March 2015?

Answer

The figures below show all those people applying for registration cards for the first time during the period. The figures exclude people who already had a Social Security number before applying for a registration card (such as people returning to Jersey, or people changing job or house). They include a small number of school leavers registering for the first time.

Nationality	1/01/2015 - 31/03/2015
British (Jersey born)	246 (18)
Polish	156
Portuguese	97
Romanian	59
South African	26
French	21
Irish	16

Indian	14
Italian	9
Latvian	9
Hungarian	7
Australian	6
Pakistani	6
Bulgarian	5
German	5
Spanish	5
American	4
Thai	4
Zimbabwean	4
Filipino	3
New Zealander	3
Austrian	2
Canadian	2
Dutch	2
Maltese	2
Mauritian	2
Slovak	2
Swiss	2
Bangladeshi	1
Belgian	1
Brazilian	1
Cambodian	1
Czech	1

Finish	1
Ghanian	1
Greek	1
Norwegian	1
Russian	1
Slovenian	1
Filipino	1
Tongan	1
Samoan	1
Venezualan	1
Total	734

2.5 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE COST OF RUNNING THE STATES OF JERSEY DEVELOPMENT COMPANY:

Question

Will the Minister as shareholder representative of the States provide Members with the gross revenue costs and any capitalised costs of running the States of Jersey Development Company Ltd. and its predecessor, the Waterfront Enterprise Board, for each year from 1st January 2008?

Answer

The annual audited accounts of the States of Jersey Development Company Limited (“SoJDC”/ “the Company”) and its predecessor the Waterfront Enterprise Board are publicly available on the States Assembly website as they are presented as a “Report” by the Company’s Shareholder.

Please find below the summary of the Company’s gross income, gross expenditure (extracted from the Consolidated Statement of Comprehensive Income (*Profit and Loss Account*)) and the Company’s capitalised costs.

The capitalised costs are allowable expenditure on the Company’s Investment Properties and design/legal/planning fees on its Current Assets (land) which are recoverable on completion/sale of the development/site. These figures have been taken from the Company’s Consolidated Statement of Financial Position (*Balance Sheet*).

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
£	£	£	£	£	£	£

Gross Revenue (exc.

Investment Income)	12,426,361	1,998,645	3,541,187	2,518,272	3,509,831	5,661,271	4,467,572
Gross Costs (exc. dividend)	6,881,505	1,520,593	1,464,720	1,702,941	1,444,320	1,776,896	1,684,116
Capitalised costs	1,109,511	528,683	1,115,328	1,650,123	837,386	1,600,555	3,376,194

2.6 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING HOSPITAL WAITING TIMES:

Question

Will the Minister provide Members with full details of the current waiting times and any staffing problems being experienced in each clinical area of the Hospital?

Answer

Waiting Times

There is no formal waiting time target set in Jersey, however, we endeavour to try and keep waiting times as short as possible.

The information requested can be found on the States website by following the link below. The data is updated regularly.

<http://www.gov.je/government/departments/healthsocialservices/factsfigures/pages/averagehospitalwaitingtimes.aspx>

Staffing

In terms of staffing issues, in the last 12 months we have appointed:

2 Consultants in Acute Medicine and Respiratory

2 Consultants in Ophthalmology

5 Staff Grade/Associate Specialist level doctors in a variety of specialties

The period during the recruitment process would usually be covered by locum staff but can have an impact on the specialty waiting times.

Presently, there are no consultant vacancies within the Hospital. There has been some consultant level sickness which has reduced capacity in some specialties. This is now largely resolved.

Middle grade and Junior doctors vacancies are covered by locum appointments.

There are nursing vacancies in theatres but this has not currently reduced the operating time available.

2.7 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING GRANTS TO THE AGRICULTURE, AQUACULTURE AND FISHING SECTORS:

Question

Will the Minister provide Members with the total amount (£s) of all grants, loans and other direct services provided to the agriculture, aquaculture and fishing sectors of the economy for each year from 2007 to the present day together with a table detailing all individual recipients of this aid in each year so that the amount and frequency of aid each individual received over this period can clearly be determined?

Answer

It is not possible to provide a breakdown of payments to individuals due to Data Protection legislation.

Prior to 2009, grantees were not listed within the annual States of Jersey Financial Report and Accounts and as such only totals can be provided. Relevant payments for 2007 and 2008 are listed in table 1 below.

Table 1. Grants provided in 2007 and 2008

Year	Single Area Payment	Direct Financial Support	Interest Subsidy	Vehicle Registration Duty	Rural Initiative Scheme	UK Jersey Royal Promotional Reps	Over Thirty Months Scheme	Farm Secretarial Service
2007	885,204	1,113,330	165,895	120,318	351,918	196,611	33,288	14,565
2008	973,692	1,024,932	50,709	10,938	553,864	61,989	4,122	8,847

The following list provides links to the exact location of the required information within the published States of Jersey Financial Report and Accounts for the period 2009 – 2013;

2013

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20FinancialReportAccounts%202013%20JMB.pdf>

Page 155-156

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Annex%20to%20financial%20report%20and%20accounts%202013%202014514%20JMB.pdf>

Page 339-341

2012

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Financial%20Report%20and%20Accounts%202012%2020130617%20JMB.pdf>

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2.8 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING CAR PARKING REVENUE RECEIVED BY THE STATES OF JERSEY DEVELOPMENT COMPANY:

Question

Will the Minister as the shareholder representative for the States of Jersey Development Company Ltd. explain to Members -

- a. how much money has been collected by the company from car parking on the Esplanade for each year since parking administration was devolved to them;
- b. what happens to the income derived from this car parking and how this differs, if at all, to what happened to this income when it was administered by the Transport and Technical Services Department?

Answer

- a. The 150 year leasehold interest in the Esplanade Car Park was transferred from the States of Jersey to the States of Jersey Development Company Limited (“SoJDC”) (formerly known as the Waterfront Enterprise Board) in July 2004.

The Esplanade car park continues to be operated by the Transport and Technical Services Department (“TTS”).

Between 2004 and 2011, TTS directly received and accounted for all revenue generated from the Esplanade surface car park.

Since 1 January 2012, SoJDC has received the following amounts from TTS corresponding to the pre-agreed net revenues from the Esplanade surface car park:-

2012: £759,000

2013: £759,000

2014: £759,000

Because, for the majority of TTS car parks, payment is made via pay cards it is not possible to identify the precise receipts for each car park.

- b. SoJDC has repatriated all of the aforementioned revenues arising from the Esplanade surface car park via a quarterly dividend payment to the States of Jersey Treasury Department. R.7/2012 (see Appendix attached) details the arrangements for income from

the Esplanade car park. There is no difference in the net effect upon the income of the States, TTS or the Jersey Car Parking Trading Fund (which receives all car parking income and either retains it or makes a financial return to States' general revenues).

APPENDIX

“R.7/2012

JERSEY CAR PARKING FINANCIAL RETURN TO THE STATES FOR 2012: REPORT TO THE STATES UNDER ARTICLE 27(4) OF THE PUBLIC FINANCES (JERSEY) LAW 2005

**Presented to the States on 25th January
2012 by the Minister for Treasury and
Resources**

REPORT

A 150 year lease of the Esplanade Car Park site was transferred to the former Waterfront Enterprise Board Limited (“WEB”) in 2004. As part of the Esplanade Quarter Masterplan approved by the States Assembly in 2008, a new composite 150 year lease was passed to WEB. Since 2004, the revenue from the public car park at the Esplanade has been retained by Jersey Car Parking (“JCP”).

In recognition of the impending redevelopment of the site and the fact that legal title to the site is held by the States of Jersey Development Company Limited (“SoJDC”), on 9th December 2011, the Minister for Treasury and Resources signed Ministerial Decision MD-TR-2011-0142. This decision reduced the financial return from JCP in 2012 by £759,000. Whilst the site is still being used as a car park SoJDC will pay the income received over to the States (as a dividend), so there will be no effect on States finances in 2012.

During the development of the Esplanade site, the public car parking will be temporarily relocated to an adjacent waterfront site (matching the number of spaces currently provided).

The financial return to the States from the Jersey Car Parking States trading operation will therefore reduce by £759,000 from £2,311,300 to £1,552,300 in 2012. However, Other Income of the States for 2012 will remain unchanged, as the £759,000 will be received from SoJDC.

Article 27(5) of the Public Finances (Jersey) Law 2005 requires the Minister for

Treasury and Resources to advise the States of any decision taken under Article 27(4) of that Law to waive or delay the contribution receivable from a States trading operation.”

2.9 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE BONUS STRUCTURE FOR STAFF OF THE JERSEY DEVELOPMENT COMPANY:

Question

Will the Minister as the shareholder representative for the States of Jersey Development Company Ltd. provide to Members details of the bonus structure in place for the directors and staff of the company and explain the basis on which it is calculated?

Answer

The States of Jersey Development Company Limited (“SoJDC”) has a Remuneration Committee that assesses and determines the remuneration packages for all Executive Directors and Staff.

The Remuneration Committee consists of SoJDC Non-Executive Directors only.

Every two years the Remuneration Committee commissions an independent benchmarking of the remuneration packages.

The Remuneration Committee targets to achieve the median level of total remuneration according to job level.

The level of discretionary bonus entitlement varies depending on position and where applicable ranges from 10% to 20% of basic pay.

The bonus payments are discretionary and the level of payment is based upon an individual’s performance and, at more senior levels, the Company’s performance.

It should be noted that bonus payments are made in arrears and therefore payments made and reflected in SoJDC’s year end 2014 accounts relate to the performance of the individual / company for the year ended 2013.

2.10 DEPUTY M.R. HIGGINS OF ST. HELIER OF THE CHIEF MINISTER REGARDING BUSINESS TENDENCY SURVEYS:

Question

Will the Minister advise Members what work, if any, has been done to assess the correlation between the views expressed in the business tendency surveys and actual outcomes in the areas investigated, and will he share the results of this research with Members so that they can gauge the accuracy of these surveys?

Answer

The Business Tendency Survey is a welcome and useful addition to the data available on the Jersey economy, as it provides regular information on a range of key economic indicators. The results are analysed by the Statistics Unit, Economics Unit and the Fiscal Policy Panel (FPP) but are

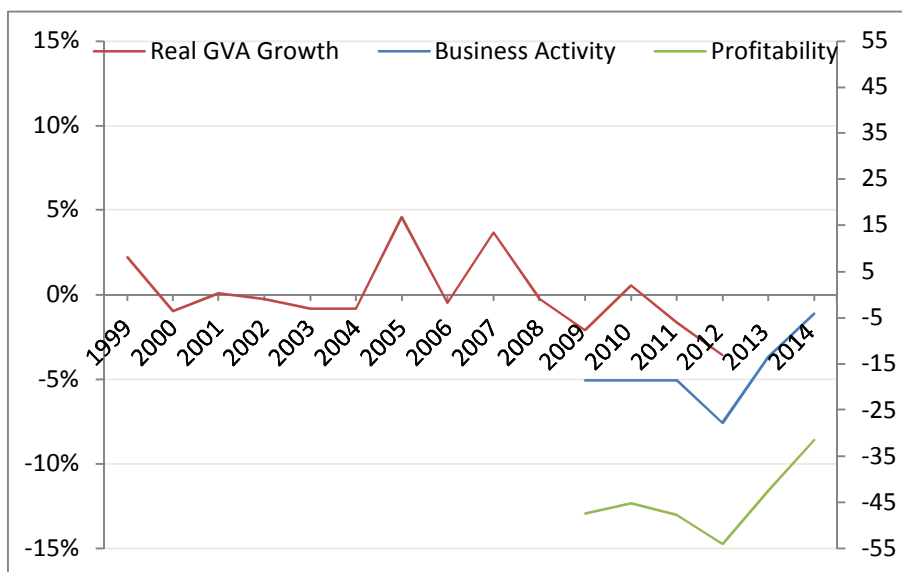
ultimately qualitative indicators that should be considered alongside the suite of economic indicators before trends in the economy can be properly assessed.

As the survey has only been undertaken since 2009 there is not a reasonable time period over which to assess the indicators in the survey. Many of the questions in the survey do not refer directly to measurable economic variables but where they do, comparisons are made with outturns. For example, the chart below is taken from the FPP’s 2014 Annual Report (page 19) which looks at the indicators for the non-finance sector.

Figure 1.11 Non-Finance GVA Growth

Annual real GVA growth excluding financial intermediation and rental (left-hand scale)

Non-finance responses to business activity and profitability questions averaged over each year (right-hand scale)



Source: Jersey Statistics Unit

The Fiscal Policy Panel’s report is available online - <http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Fiscal%20Policy%20Panel%202014%20annual%20report%20JE%2020140725.pdf>

2.11 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHIEF MINISTER REGARDING STAFFING POSTS ALLOCATED TO HEALTH AND SOCIAL SERVICES AND EDUCATION, SPORT AND CULTURE:

Question

Will the Chief Minister list for members the 185 extra FTE posts identified in Appendix A of the Resources Statement to the draft Strategic Plan allocated to the Health and Social Services department to meet service standards, inflation and P.82 transformation by job title and salary band including all employment costs and would he provide similar information for the 73.6 FTE posts identified for the Education, Sport and Culture Department?

Answer

These figures are estimates and subject to change as models of service provision develop over this time. Detailed proposals are being prepared for inclusion in the Medium Term Financial Plan, including all employment costs. In the meantime, the estimates in the resource statement are comprised of the following:

Health and Social Services

Job	Salary Band	FTE	Estimated 2019 Cost £m
Maintain standards (estimated - not allocated to specific roles at this stage)		66	3.3
P82/2012 Implementation			
Doctor	£64k - £150k	14	1.9
Qualified Nurse	£30k - £56k	45	3.0
Healthcare Assistant	£26k-£29k	10	0.4
Therapist	£28k-£68k	15	0.9
Child Care Officer	£31k - £55k	13	0.6
Scientific Officer	£38k - £56k	4	0.2
Social Worker	£61k - £78k	7	0.6
Pharmacist	£30k - £65k	6	0.4
Facilities Officer	£25k - £34k	2	0.1
Support Officer	£29k - £55k	3	0.2
Total		185	11.6

Education, Sport and Culture

Job	Salary Band	FTE
Primary teachers and teaching assistants	Dependent on experience & qualifications	20

Secondary teachers and teaching assistants	Dependent on experience & qualifications	35
Professional partners and specialist teaching assistants	Dependent on experience & qualifications	18.6
Total		73.6

2.12 DEPUTY J.A. MARTIN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE CONSTRUCTION COSTS OF THE NEW POLICE HEADQUARTERS:

Question

Will the Minister provide an update of the full construction costs of the new Police Headquarters to include the new parking spaces?

Would he also identify all other expected costs associated with the new Police HQ project (whether one-off or recurring) arising in any department budget?

Answer

In September 2014, the Minister for Treasury and Resources agreed to accept the lowest fixed price tender in the sum of £20,427,869.00 for the construction of both the new Police Headquarters and extension to Green Street Car Park as a single contract (MD-TR-2104-0106). The most recent financial report from the project Quantity Surveyor confirms that, at this stage in the project, construction costs are expected to be contained within this sum.

The total anticipated costs of the project therefore remain as previously reported to the Assembly in November 2014 (written question 8534 – attached for reference), which is in line with the available budget of £24.371m.

The budgeted difference of £3.942 million between the construction cost and total budget provides for:

- Fees
- Client Furniture & Equipment
- Archive Storage Facilities
- Migration
- Contribution to Eastern Cycle Track
- Client Contingency

At this stage the only other expected and agreed one-off costs relate to upgraded specialist operational IT and communications equipment identified by the States of Jersey Police. These total an estimated £114,637 and are to be funded by Home Affairs from the sums transferred from revenue to capital (MD-HA-2013-0044 and 0061).

The predicted recurring costs associated with the operation of the new Police Headquarters are currently being developed by the Home Affairs Department.

APPENDIX

1240/5(8534)

WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES

BY DEPUTY M.R. HIGGINS OF ST. HELIER

ANSWER TO BE TABLED ON TUESDAY 25th NOVEMBER 2014

Question

Will the Minister advise members:

- (a) the cost of the new police station at the time of the States decision to proceed with the Green Street car park site;
- (b) details of all subsequent amendments to the design and construction of the building and the site together with their associated costs and the reasons for the amendments and changes.

Answer

- a) The decision to proceed with the construction of the new Police station on the Green Street site was taken by the Assistant Minister for Treasury and Resources under delegated authority on the 19th September 2014, when approving the drawings and accepting the lowest tender under paragraph 1(d) of Standing Order 168 (decision reference: MD-TR-2014-0106).

At this time, the total costs of the project, which includes both the development of the new Police Station and Headquarters and the extension to Green Street car park, were identified as £24.37m. This is in line with the available budget of £24.371m which comprises £22.871m for the Police Station and £1.5m for the extension to the car park.

Members will recall that, when answering an oral question from Deputy Le Fondré on the 3rd June 2014, the Minister for Treasury and Resources set out the project cost estimate and stated his intention to seek a contribution from the Criminal Offences Confiscation Fund to meet the costs of identified items within the scheme. On the 19th September 2014, the Minister for Treasury and Resources agreed by public ministerial decision, following consideration and endorsement by the Council of Ministers, to the application of £1.81m from the Criminal Offences Confiscation Fund to the Police Station capital budget (decision reference: MD-TR-2014-0105). This sum forms part of the overall project budget.

- b) Since the above decision, there have been no amendments to the design and construction of the building and no associated cost implications. A contractor has been appointed, construction work has started on site and the Minister fully expects the development to be delivered within the current budget allocation.

2.13 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR SOCIAL SECURITY REGARDING THE EARNINGS OF APPRENTICES:

Question

Further to the answer to oral question No. 8 on 28th April 2015, will the Minister outline precisely for members how the earnings of year 1 apprentices on £5.09 per hour are treated in relation to the calculation of the earnings threshold for entitlement to sickness benefit?

Will she further explain how the lower threshold applies to the earnings of those on variable earnings attached to a zero hours contract on the minimum wage and state whether there is a minimum number of hours that such an employee must work in order to retain the right to claim short term incapacity allowance (STIA)?

Answer

Under the Social Security Law, an employee who has earnings of at least £848 per month will receive a contribution record for that month. The figure of £848 is known as the lower earnings limit and it is uprated at the beginning of each year in line with the earnings index for the previous year. With earnings of £848, the contribution from the worker and their employer will be a total of £106. The States will pay an extra £333 per month into the Fund to maintain a full Social Security record for this worker. The earnings of the worker that are counted in a particular month relate to wages received during that month. In particular, if a worker is paid weekly, the monthly total will vary depending on the number of weekly pay days during the month. An individual who is not employed or who is employed for less than eight hours a week is responsible for their own contribution record.

To claim short term incapacity allowance (STIA), an individual must have paid contributions and reached the lower earnings limit for at least three months at some time in the past. They must also have a contribution record in the "relevant quarter". The relevant quarter is the quarter six months before the date of the start of the illness. For example, if a worker is ill in August, the relevant quarter is the first quarter of the year and the contribution record for January, February and March will be used. If the worker has a contribution record for each of those months, the full rate of STIA will be paid (£28.06 per day). If the worker has a record for one or two months, but not all three months, a reduced rate of one third or two thirds will be paid.

If a worker is unable to work due to illness, they may receive sickness pay from their employer. The Income Support system is available to support local workers at times when their earned income does not meet their basic living costs. For example, a local worker who is not paid by their employer during a period of sickness may be eligible for means tested assistance from Income Support if the loss of wages has a significant impact on their total household income.

Only a small number of individuals receive the year one trainee rate. A trainee working a 40 hour week on this rate will earn on average £882 per month. An individual who works 40 hours at the standard minimum wage of £6.78 per hour receives an average of £1,105 per month. Both these figures are above the lower earnings limit. However, depending on the exact number of hours worked and the frequency of paydays, any worker may earn less than the lower limit in some months.

As the Minister responsible for the Social Security Fund, I must balance the needs of each individual against the population as a whole. The monthly lower earnings limit is the same for all workers. The eligibility rules for contributory benefits, including sickness benefit, control the way in which the Fund is used. Inevitably, there will always be individuals who, for a variety of reasons, fail to satisfy the contribution requirements to claim a specific contributory benefit. For example, STIA is not paid to workers until they have been working for at least six months.

If the lower earnings level was reduced, the States would need to pay extra contributions or "supplementation" into the Fund. This would include additional supplementation for people who choose to work just a few hours a week as well as low earners. This would place a further pressure on tax funded budgets at a time when significant savings need to be found. In parallel, as Members are aware, we are already facing significant pressures that will require changes in the near future to keep the Social Security Fund sustainable over the next few decades.

A major review of the Social Security Fund is planned to commence later in 2015.

2.14 THE DEPUTY OF GROUVILLE OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING THE CULTURAL STRATEGY:

Question

The Cultural Strategy was approved by the States in 2005 (P.154/2005) and recommended that the creative industries should be encouraged. Now that the remit for culture is to be transferred from the Minister for Economic Development from the Minister for Education, Sport and Culture could the Minister outline what plans there are to encourage the creative industries in Jersey?

Answer

The Minister for Education, Sport and Culture has been active in initiating a British-Irish Council work-stream on the creative industries which is led by Jersey. The purpose of the work-stream is to enable the participating administrations to compare experiences and share good practice in their approach to supporting the creative industries.

The work-stream is due to present its first report later this year. It will address three themes:

- Developing the Skills Capacity for Creative Industries
- Creative Collaboration
- Impact of Creative Industries on the Wider Economy

I expect the results of the workstream's report to inform my Department's approach to supporting the creative industries once responsibility for Culture has been transferred.

It has already become apparent that an important aspect of encouraging development of the creative industries is an effective representation for what is a diverse sector, I therefore welcome recently announced plans to re-establish an industry group in the Island and confirm that officer involvement in such a group has already been offered.

In addition there is a high degree of crossover between the creative industries and the digital sector, where Digital Jersey has been in the vanguard of States efforts to develop a strong island presence and seek to open up opportunities for on and off-island cooperation.

The Department will continue to grant fund the Jersey Arts Trust, which through initiatives such as its on- island 'Artists Lock-in' and 'Skipton Open Studios' helps promote local artists and build strong international, creative industry linkages whilst providing the Island cultural diplomacy opportunities.

I also recognise that, apart from the revenue support given to the cultural sector, a number of other recent initiatives are to be encouraged: for example, the commissioning of Jersey artists to undertake public art projects like those marking the Diamond Jubilee and the 350th anniversary of the gift of the Royal Mace; and the encouragement of local involvement in the Environment Department's percentage for art policy.

One of the priorities upon the transfer of Ministerial portfolios will be the development of a new Cultural Strategy, within which it is proposed there will be an expanded component of activity designed to develop the creative industries.

3. Oral Questions

3.1 Deputy S.Y. Mézec of St. Helier of the Chief Minister regarding user pays charges:

Following the Government's announcement that it will seek to introduce a health charge and some "user-pays" charges to help address the forecast financial shortfall, what discussions, if any, have been held to investigate ways to ensure that the impact of these policies will not be felt by the poorest in Jersey?

Senator I.J. Gorst (The Chief Minister):

As we plan for our second Medium Term Financial Plan it is clear that the work agreed following the Health and Social Services White Paper requires additional funding if we are to continue the transformation of health and social care. The development of a funding mechanism is still at an early stage identifying previous reviews and a number of possible options. It will follow a proper process, including a thorough assessment of the impact of any charges on all Island groups.

3.1.1 Deputy S.W. Mézec:

Can I take it from the Chief Minister's answer that when we look at the fine details of what form this health charge will take that he will consider it a priority that those of the least means among us in this Island will be exempt from as many, if not all, charges, if possible?

Senator I.J. Gorst:

As I said, we will consider the implications, distribution analysis of individual charges, and potentially any charges brought together. It is too early to say where any exemptions might sit. It will depend on the model chosen but let us not forget if we do not invest this extra money in Health it is the very groups of our community that the Deputy is rightly concerned about that will be affected the most.

3.1.2 Deputy M. Tadier of St. Brelade:

How does one on the one hand say that we are going to safeguard the funding for Health so it will be protected from the cuts and, on the other hand, in the same breath almost, say that we are going to introduce user pays for health so that people start paying more for their own health care?

Senator I.J. Gorst:

I am not sure that I accept the mutual exclusivity that the questioner seems to be indicating.

3.1.3 Deputy M. Tadier:

Will the Chief Minister also give an undertaking that in some ways it is not simply the poorest in Jersey who need to be insulated from any user pays charges because traditionally the poorest in society are catered for and the wealthy do not need any care? It is the ones slightly above the most

poor in society that need to be helped. Does the Chief Minister agree with that and what will he do to ensure that those people who struggle on a day-to-day basis are not most impacted?

Senator I.J. Gorst:

We have got to have a proper discussion and debate across our community about the health service that we need, that we require and that delivers the best outcomes. That is the basis of changing health and social services and we will have a rightly robust debate about that. But we cannot avoid, like the rest of our European neighbours, of needing to spend more on health and it is disingenuous of any Member who suggests in this Assembly anything otherwise.

[9:45]

If we want to invest more, we are going to have to ask our community to pay a little bit more to deliver it. I think that is fair. I think the public will accept it. Of course we will have a discussion about exactly where that stops and where that starts and where exemptions might be but the principle is right.

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

Such passion, it reminds me of election time, but that is not what he was saying at election time. Notwithstanding the ...

Senator I.J. Gorst:

I wonder if the Deputy could withdraw that. For the past 2 elections I have said exactly the same thing.

Deputy G.P. Southern:

In that case I withdraw it, Sir, but I failed to hear it at the time. I must be going deaf in my old age. Notwithstanding the methodical approach that he suggests is going to be taken to this particular area of charging, on a personal level, does he prefer himself a charge at the point of delivery or would he prefer a tax related to income tax and perhaps collected by the Income Tax Department which spreads the load more evenly?

Senator I.J. Gorst:

Much as I would like to accept the principle that the Deputy seems to be inferring that my personal view is the one that will prevail, that is not quite how this office works. We have got to have a conversation with the public and we have got to ... I think, out of those particular models that is something that elsewhere are grappling with, if we look at the Dame Kate Barker review that she undertook for the British Government, there are a number of different models that could be used and you could bring them together. For a personal preference, albeit that that bears no relation to what will ultimately be decided, I personally think that one solution is the better solution rather than having a myriad of solutions, and I personally think that a solution that is more collective than individualistic is better as well.

3.1.5 Deputy G.P. Southern:

Does the Chief Minister accept that income tax is the fairest basis to charge any taxes?

Senator I.J. Gorst:

As the Deputy knows, you have got to take charges and taxes in the round and just plucking one out of the air may not solve the problem so we have to wait and see.

3.1.6 Deputy M.R. Higgins of St. Helier:

The Chief Minister says that he is going to consult not only with the States but also with the public on health charges. Will he, at the same time, also consult on all the other user pays charges and all the other sort of stealth taxes that are likely to come forward, so at the same time the public can see overall what it is? Secondly, will he provide Members and the public an impact statement saying how it is going to affect different members of our society because there will be differentials?

Senator I.J. Gorst:

We will. Ministers have asked for the distribution analysis to be done not just on simply individual options but on packages of options. The Members opposite seem to be suggesting somehow, and it has gained credence in the media, that these are stealth taxes. There is nothing stealthy about them. We have been absolutely clear. We have been open and transparent with the public. We have brought forward a plan that we believe deals with the potential funding shortfall, provides investment in services that require it. There is nothing stealthy about it.

3.1.7 Deputy M.R. Higgins:

Did the Minister tell the public that when he stood for election, and his other Ministers, that taxes were going to increase in the way they are?

Senator I.J. Gorst:

This Minister has been clear, as I said, for the last 2 elections that we needed a mechanism to provide for investment in health. I cannot help it if some of the Members opposite, to paraphrase Deputy Southern, were not listening.

3.1.8 Deputy S.Y. Mézec:

They are not stealth taxes but he cannot tell us any of the details about them whatsoever. Notwithstanding his earlier grandstanding on a point that is not contentious or held contentious by any Member of this Assembly, the purpose of my question is to give the Chief Minister an opportunity to stand up in this Assembly and say to the public of Jersey that when proposing these charges in future I will make every effort to shelter the poor from it. My question, it is his final opportunity: will he stand here and say: "When these charges are introduced I will do everything I can to mitigate the impact they have on the poorest people in Jersey's society" or will he do what his Government usually does, which is completely disregard those people?

Senator I.J. Gorst:

The Deputy seems to misinterpret everything that the Government does. This Government has put more money into income support, supporting the most vulnerable in our community. We have put tens of millions of pounds into getting those vulnerable people into work. We always take into consideration vulnerable members of our community and we will continue to do so.

3.2 Deputy A.D. Lewis of St. Helier of the Chief Minister regarding the Control of Housing and Work (Jersey) Law 2012:

Now the Chief Minister is nicely warmed up, I will go with this one. Sorry, is the Chief Minister going to answer this question or the Assistant Minister?

The Deputy Bailiff:

Perhaps you could ask the question and then we will get to that.

Deputy A.D. Lewis:

Will the Chief Minister explain what steps, if any, are being taken to evaluate the impact on S.M.E.s (small and medium size enterprises) of the application of the Control of Housing and Work (Jersey) Law 2012 and what policy changes, if any, have resulted from any evaluation undertaken?

Senator I.J. Gorst (The Chief Minister)

I will be asking my Assistant Minister with responsibility for population matters to act as rapporteur.

Senator P.F. Routier (Assistant Chief Minister - rapporteur):

I will try and keep it a bit calmer. **[Laughter]** The Housing and Work Advisory Group meets week in and week out, listening to businesses of all sizes and sectors. We offer support where we can, however we do not approve every application. Instead we need to consider local employment first and only allow migration that delivers the most benefit for Islanders. This approach does have an impact on individual businesses and we are of course happy to keep this under review. But let us not be too pessimistic because in 2014 we saw record private sector employment growth, which has to be positive. The outlook for future employment and profitability published recently in the Business Tendency Survey is also more positive including for small businesses. We will continue to evaluate the overall business performance.

3.2.1 Deputy A.D. Lewis:

Does the Assistant Minister really believe though that the current way that the law is administered is administered in a fashion fitting of the current economic climate? I have evidence today of one particular application that has taken over 3 months and still no decision has been made. When the department was contacted they were told: “No, there are too many financial services applications therefore we have to put yours to the back of the queue.” That is not, I do not think, terribly fair and could the Minister answer as to whether that is the genuine case?

Senator P.F. Routier:

I have to say I am a little bit taken aback by the suggestion that somebody was told that their decision would be put to the back of the queue because there are too many financial services applications in place, because that is not how we progress things at all. There are some decisions which do take longer to make because of perhaps more information is needed, but certainly we do intend to deal with applications on an even-handed basis and if the Deputy would like to let me know who that particular case is I would certainly ensure that it is looked at promptly.

3.2.2 Deputy M. Tadier:

The Assistant Minister said that he is meeting regularly with the stakeholders. Is the feedback that he is getting that the 5-year rule is working or that the 5-year rule is not working and is not meeting their needs?

Senator P.F. Routier:

We meet on a regular basis with people who are asking to put forward their business case for additional licences and the 5-year licence application is a challenge for some businesses. There is no doubt about it. But we do recognise that the States and the Island are wanting us to ensure that we do limit migration to our Island and it is the mechanism which was being used in the law.

3.2.3 Deputy M. Tadier:

Has any modelling been done in recent times to find out what the implication would be of abolishing the 5-year rule completely and finding out what effects that would have on the population in the workforce in stimulating business, *et cetera*, in the round? If not, why has that not been done?

Senator P.F. Routier:

Certainly we monitor the applications we do get. Perhaps it would be useful for Members to be aware of the permissions that we have granted. There have been in 2014, 440 permanent registered permissions given. There have been 316 that have been rejected and there have been 813 permanent registered permissions removed from licences. That is just to give a general overview of how it is working. But with regard to the specific question, is that to do away with the 5-year thing altogether I believe would be a very risky thing to do because it would open up the floodgates, where there would be no control at all to people coming to the Island. It would put at jeopardy the work placements for those who are already in our Island. We must not forget, although we have had a better decrease in unemployment announced today, there are still 1,390 people unemployed, who are actively seeking work, and on top of that there are people who do not go to Social Security, probably about another 1,000 people, so we are looking at about 2,400 people who are looking for work. We must recognise that we must try and get those people into work first.

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

I would seek further assurances from the Assistant Chief Minister that licences are being granted in a fair, transparent and consistent way across sectors. I know of a restaurant that has but one licence granted, another restaurant allegedly or anecdotally has had a whole clutch of licences granted in order for them to open. That clearly does not create morale in a particular sector. Is it being done in a consistent way across particular sectors like hospitality? Could the Minister further assure us that the needs of small businesses, particularly in the hospitality sector, will not take second rank when it comes to processing applications from financial services?

Senator P.F. Routier:

I do not think it can be claimed that the hospitality industry are taking second rank to other industries because it is that industry that has by far the most licences available to them. We know that certainly there are currently 1,700 licences in hospitality, where there is in financial services 1,100. In retail there are 749. Hospitality does have by far the most licences available to them and we do, I believe, look at every application on the merits of the benefit it brings to the Island.

3.2.5 Deputy G.P. Southern:

To pursue the fairness theme, I know Ministers do not like to hear that word very often. One of the unfairnesses is between large employers and small to medium enterprises. Has the Minister conducted a review dividing decisions on the control of housing and work between those 2 groups of employers and if not, will he do so and publish it in the shortest possible order?

Senator P.F. Routier:

Yes, we are continually reviewing the applications. We do get an update from the department on a regular basis of the licences which have been issued, and I will ask when we get our next update that I share the information with Members.

3.2.6 Deputy G.P. Southern:

Where the critical element is a division between large enterprises and the decisions made there, and small to medium enterprises and the decision made there, will he publish that and, if so, when?

Senator P.F. Routier:

I cannot recall when the next detail will be given to us but I will find that out for the Deputy and get it to him. But certainly the information he is requesting I will ensure that we do get that information for him.

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

In the answer a few answers back the Minister said the Housing and Work Law is also there to control migration yet in a question written today on 8793, for the first quarter, 1st January to 31st March, there have been issued 734 new registration cards, only 18 being Jersey born. Can the Minister confirm that he thinks the migration policy then is working of 250 households per year with 700 over for the first quarter?

Senator P.F. Routier:

Those numbers obviously are informative to a certain extent but they do not give the full picture of what is happening within the economy because it does not take account of the people who have left the Island, so it is very difficult to get a ... you cannot take from those numbers the impression that there has been an increase in the population because there is no record in those numbers of people who have left the Island.

[10:00]

But certainly we know that we are looking forward to getting the update from the Statistics Unit in July which will give us a good understanding of how the population policy is working.

3.2.8 Deputy J.A. Martin:

Supplementary on that. Can the Minister confirm to apply and be given a registration card, is it true or is it fact that the person must have a job to go to?

Senator P.F. Routier:

No, that is not the case. People can go and collect a card and they can only work where a business has a licence to take them into their workforce. But people who come to the Island can apply for a card and then apply for a vacancy position.

3.2.9 Deputy A.D. Lewis:

From the information, facts and figures the Assistant Minister has provided, I would say that clearly the system is not working. The 1976 law of Regulation of Undertakings and Development was replaced of course by the 2012 law. They seem to be the same things just in slightly different clothes. I am very concerned that it is simply not working. One of the cornerstones of the Government's policy is economic growth to recover, this is not helping ... this law simply is not helping.

The Deputy Bailiff:

Could we come to a question please?

Deputy A.D. Lewis:

Will the Minister assure this House that he will look at this policy, this procedure, and review it in light of the purpose of economic growth and that is being a mainstay of the Government's strategy?

Senator P.F. Routier:

The Government has many conflicting policies to a certain extent and one of them is the control of migration as well. There is a balance to be struck between developing the economy and also controlling migration. That is the decision process that we have to take in relation to this law. There obviously will be a general overview of the application of this law in the coming months but certainly we know we have got to keep an eye on ensuring that we keep the population at a level that is suitable for our Island.

3.3 Deputy G.J. Truscott of St. Brelade of the Minister for Education, Sport and Culture regarding the new Les Quennevais School:

Will the Minister inform Members what progress, if any, has been made regarding the plans and siting of the new Les Quennevais School?

Deputy R.G. Bryans of St. Helier (The Minister for Education, Sport and Culture):

A draft feasibility study has been referred by Property Holdings and is in the process of being finalised. It looks through a number of sites and options, 10 inclusively, including the fields to the south of Rue Carree near the airport, and Les Quennevais sports field. The detailed study includes environmental traffic and land assessments and preliminary discussions with planning officers are now taking place regarding the planning issues. In fact they are taking place this Wednesday.

3.3.1 Deputy G.J. Truscott:

I thank the Minister for his answer. Can he also provide assurances that there will be a public consultation regarding his proposals, that the money is in place and ring-fenced for the new school and can he also give the Assembly an indication of when he thinks building will commence?

Deputy R.G. Bryans:

Yes, I think I can. Once we have met with the planning officers and we have a clear sight of what the options are we will then meet with yourself, other Deputies and the Constable and interested parties and then subsequently we will go out for public consultation, particularly to the primary schools who will be affected in that area. Subsequently the £40 million ... you are right, £40 million has already been identified. The Education Department currently is working very closely with the Treasury Department to ensure the funding is available to commence building during the M.T.F.P. (Medium Term Financial Plan), subject to planning of course. I forget what the last part of the question was. [Aside] Obviously it is really important for me that this happens as quickly as possible because as soon as you start this consideration or time lapses that the costs of the building increases, so in my own mind I think we will look at a school. Building should start commencing around 2016, if that is possible, again subject to planning. Then we should see a school around September 2018.

3.3.2 Deputy M. Tadier:

The Minister will be aware that of course this subject is of particular interest to the constituents of St. Brelade No. 2 District and in March, indeed, I am sure we were both getting correspondence and I asked one of the Minister's officers for progress on the report. We were told on 10th March that: "I can advise you that the feasibility study is currently being finalised and Deputy Bryans will be taking a view on how we would like to proceed." This is already 2 months ago and why has that report not been finalised? Why have the Deputies, in particular of the Parish, seemingly being kept out of the loop as to where the progress is going on this?

Deputy R.G. Bryans:

I do not know that Deputies have been kept out of the loop but in regard to the delay, there was one particular aspect of the site that had not been considered before so on the Green Zone, the initial site that was looked at was placing the school completely on to the Green Zone with various fields being utilised in that area by Rue Carree. Another site was then subsequently identified, and this is the reason for the delay, where there was a football pitch, which would take the school off the Green Zone but still allowing the Green Zone to be utilised for playing fields.

3.3.3 Deputy M. Tadier:

Can the Minister confirm that the choice... because we have been labouring under the impression that the preferred option was the one next to the airport pitches, which is currently agricultural use, and the choice now being moved to extend the school on to the Les Quennevais playing fields, which will be equally contentious for those living in the area? Can he give us an indication as early as possible so that we can start having this dialogue with our constituents?

Deputy R.G. Bryans:

We do not have a preferred choice at this moment in time. I have just outlined that we have received the feasibility study, we have 10 options. We think 3 of them are particularly possible from our consideration. We will be, as I have already said, meeting with the Constable and the Deputies, including Deputy Tadier, to discuss this matter in detail and then hence going out to public consultation.

3.3.4 Deputy R.J. Rondel of St. Helier:

Following Deputy Truscott's question, would the Minister please be able to elaborate a little on where he expects the funding to come from with his discussions with Treasury at the moment?

Deputy R.G. Bryans:

That is a matter for Treasury. We have sat with Treasury and identified ... we managed to keep it away from the cuts that we have already made with regard to the Education budget, but Treasury is working closely with us and hoping to produce that funding during the M.T.F.P.

3.3.5 Deputy R.J. Rondel:

Sorry, just to confirm, you do believe there is a funding source?

Deputy R.G. Bryans:

Yes, I do.

Deputy G.J. Truscott:

Thank you for your response and we look forward to further discussions in future.

3.4 Deputy G.P. Southern of the Minister for Social Security regarding zero-hours contracts:

Can the Minister state why the report *Zero-Hours Contracts: response to P.100/2013 as amended* (R.52/2015) has not dealt with paragraph (c) of the proposition and fails to address the impact of zero-hours contracts on employees, consult with stakeholders and examine the extent of any misuse of these contracts

Deputy S.J. Pinel of St. Clement (The Minister for Social Security):

The proposition adopted by the States required first and foremost an investigation into the extent to which zero-hours contracts are used in different sectors. The report provides this information as well as other useful information that we did not have access to before. Following detailed analysis it has been possible to provide statistics for the first time on the employment sectors that are using zero-hours contracts, as well as the age and nationality of individuals working under these contracts. The scope of this report did not include a stand-alone consultation exercise. Rather the Social Security Department worked with the Statistics Unit to include specific questions about zero-hours contracts in the Jersey Annual Social Survey for 2014. The structure of the social survey ensures that a statistically valid random selection of adult population is asked to provide their views on the various questions. The questions explored both the advantages and the disadvantages of zero-hours contracts. The responses from J.A.S.S. (Jersey Annual Social Survey)

showed that three-quarters of people on zero-hours contracts were satisfied with being on such a contract. Having taken account of the results of the analysis, and the views expressed through the social survey, the action that I have taken is to support J.A.C.S. (Jersey Advisory Conciliation Service) in the publication of a new guide to help employers understand when a zero-hours contract is appropriate, and when a different kind of contract would be preferable. We have already heard that people are finding the new guide useful. J.A.C.S. also proactively helps small businesses through their outreach service by advising employers on the appropriate alternatives for zero-hours contracts.

The Deputy Bailiff:

Could I just remind Ministers and those answering questions that the time allocated for an answer should be one minute and 30 seconds.

Deputy S.J. Pinel:

I just have one sentence left. The Deputy refers to ...

3.4.1 Deputy G.P. Southern:

Can I just remind Members of what exactly paragraph (c) requested: “Subject to the outcome of consultation with stakeholders.” There was no consultation with stakeholders, with the union side or the employer side. “To bring forward for approval such draft legislation as is deemed necessary to restrict any proven misuse of zero-hours contracts.” Well if you do not look for any misuse of zero-hours contracts you do not find any proof of misuse, and they did not look. So why, because the Minister in her lengthy answer could not address the question ... why did the Minister not address specifically the items in paragraph (c), as she was asked to do so?

Deputy S.J. Pinel:

The report may not give Deputy Southern and Reform Jersey the answer that they want to hear, i.e. that we will ban zero-hours contracts, but it took a lot of time and effort in combination with other departments to prepare this data and it provides useful information that we did not have access to before.

3.4.2 Deputy M.R. Higgins:

I find the Minister’s responses unbelievable considering the States asked for something and she did not deliver. The actual question is ... she says that the data was gathered through the social survey. Can she tell us the size of that survey and the percentages of people who found them acceptable and not acceptable?

Deputy S.J. Pinel:

The Jersey Annual Social Survey results showed that 76 per cent of people were either very satisfied or satisfied with zero contracts; many of them stating in the survey that the flexibility that the contracts allowed suited their work patterns, i.e. as carers or parents.

3.4.3 Deputy M.R. Higgins:

Can the Minister tell us the size of the sample? How many people were asked the question? How many people responded? Then how many were 75 per cent and 25 per cent?

Deputy S.J. Pinel:

That is in the zero-hours contract report, which the Deputy will have.

Deputy M.R. Higgins:

Will the Minister please repeat it so the public can hear?

The Deputy Bailiff:

The Minister has answered, Deputy.

3.4.4 Deputy J.A. Martin:

Whichever way you fall on the side of zero-hours contracts is the Minister absolutely confident that families who are absolutely living on these contracts, maybe it was the 2 parents or one parent working, that her department is agile and flexible enough when the work is not there, and they are not waiting weeks to have their money, which they need for rent and food, to be given to them because these are the queries and the things I hear against zero-hours contract? They are good when they work and people are working. When they do not work they are waiting for their money from the Minister's department. Is she confident that this is not the case?

Deputy S.J. Pinel:

Yes, I am confident that nobody will fall through the loop. We have at least 400 people on income support at the moment who are in part-time work, which quite a few of these will include zero-hours contracts, and the income support will cover any deficit in their household income that is missing.

3.4.5 Deputy M. Tadier:

Does the Minister accept that if 3 in 4 say they are satisfied with zero-hours contracts - even though that needs to be taken with a pinch of salt - does she also accept that one in 4 therefore, which is 25 per cent of the workforce that were asked, on zero-hours contracts are not happy with them and that is a significant figure?

Deputy S.J. Pinel:

Yes, I agree with the Deputy; 25 per cent is a significant figure. The 25 per cent from the report were not satisfied entirely with zero-hours contracts because it made it very difficult for them to acquire a mortgage or realise a reliable pay packet which will enable them to do this.

3.4.6 Deputy M. Tadier:

If I can just add: obviously I think the document is useful but it is only part of what was asked of the Minister. Will she undertake to fulfil the next part, which she was asked by this Assembly - not by Reform Jersey but by the Assembly - who agreed on that to take the next steps to find out where there is proof of misuse of zero-hours contracts to bring in any necessary legislation?

[10:15]

Deputy S.J. Pinel:

To answer the Deputy's question last first. We would wish to see how this guide, combined with J.A.C.S. interaction with it, and advice on it with an outreach branch of J.A.C.S., is going to help small businesses deal with all of this, and to help people on the zero-hours contracts, or any contract for that matter. There is no further funding at all. This has taken a considerable amount of the department's time to achieve this and we would wish to see how the practice guide, which has already been gratefully received by quite a lot, see how this works out before we undertake to commit to any more resources to undertake further review of this and/or instigate legislation.

3.4.7 Deputy S.Y. Mézec:

Firstly, a point of correction to something the Minister said previously. It is not Reform Jersey policy to ban zero-hours contracts. It is to stop abuse of them. I am chairman of the party, I speak on behalf of the party. She should not attempt to represent our policies ...

The Deputy Bailiff:

Could you ask a question please, Deputy? This is question time not statement time.

Deputy S.Y. Mézec:

I have been misrepresented so I think I am allowed a right of reply. The question is: one in 10 workers in Jersey is on a zero-hours contract as opposed to one in 50 in the U.K. (United Kingdom). My question to the Minister is: what is it about Jersey's economy and what is it about the ways that this Government is trying to grow the economy where these contracts are being made far more frequent than they are in another jurisdiction? If she does not know the answer to that, because her department has not done what it was asked to, will she endeavour to do that work in the future to find out the reason why these contracts are being used in this way?

Deputy S.J. Pinel:

I apologise to the Deputy if there was any misunderstanding. I just understand that the Reform Jersey, and many others, are concerned about the potential abuse of zero-hours contracts. There is no evidence through J.A.C.S. there is any abuse of these. There have been people going to J.A.C.S. for inquiries and help in it but there is no evidence as to what the inquiries might be about because obviously they are of a personal nature.

3.4.8 Deputy G.P. Southern:

Which is why the original proposition, as amended by Senator Le Gresley, was designed to ask the very question: what is the extent of any abuse that might take place, any misuse of zero-hours contracts? The Minister has adopted the Nelson approach and closed both eyes, stuck her fingers in her ears because she does not want to know the answer to that in case ... why not? Why did the Minister not ...

The Deputy Bailiff:

Can we have a question please?

Deputy G.P. Southern:

Why did the Minister not examine this particular question as instructed by Senator Le Gresley's amendment?

Deputy S.J. Pinel:

It has been examined insofar as we can do this. We do not have any more resources to employ an independent review. Perhaps the Deputy would like Scrutiny to undertake it.

The Deputy Bailiff:

Could I just stay to Members, sometimes people feel very strongly about things that people have said or imagine to have been said. This is question time and it really should be limited to asking questions and answering them. **[Approbation]**

3.5 Senator Z.A. Cameron of the Minister for Health and Social Services regarding complaints about General Practitioners:

How many complaints about G.P.s (general practitioners) have been investigated by the Primary Care Governance Team and Wessex since it was set up and how many of these investigations were as a result of complaints from other professionals or management and how many were from patients?

Senator A.K.F. Green (The Minister for Health and Social Services):

I would like to start by saying I think we are blessed in Jersey to have an excellent G.P. service, but to answer the question the Senator asked me is that since the Primary Care Governance Team was established in July 2012 48 complaints against general practitioners have been investigated. Of these, 31 were from the public and 17 were from healthcare professionals. None of the complaints that were investigated were from a manager working in healthcare management. Forty-six of the investigations carried out were by the Primary Care Governance Team and 2 were carried out by N.H.S. (National Health Service) England, Wessex area team.

3.5.1 Senator Z.A. Cameron:

Is the Minister for Health aware of the Hooper Review and Francis Report into Mid-Staffs Hospital, both of which have found evidence that staff employed in the N.H.S. felt unable to raise concerns about patient safety where a blame culture exists? Does he share my concerns that the threat of an investigation by the Primary Care Governance Team in Jersey could deter G.P.s from offering any challenge to the management of their patients by the Health and Social Services Department and prevent diversity in its practice occurring here in the future?

Senator A.K.F. Green:

That covers a wide area and covers areas way outside the question, but I am aware of both reports, and I am aware of what went on in North Staffs. That is why we must have a robust system of people being able to raise their concerns and they will be appropriately investigated if necessary. The Senator knows very well the culture that I am trying to establish in my department is one very similar to that of Seattle, where it is safe to raise concerns. The Senator cannot have it both ways. If concerns are to be raised they need to be investigated.

3.6 Deputy M. Tadier of the Minister for Social Security regarding the living wage for Jersey:

What part, if any, does the Minister think that Government should play in the adoption of a living wage for Jersey?

Deputy S.J. Pinel (The Minister for Social Security):

My department has been working with the Chief Minister's Department on the production of a report on this subject. Members will be aware that the Chief Minister is providing a briefing session tomorrow in conjunction with his publication of the report. In advance of that presentation I can confirm that in other countries governments are not responsible for setting living wage rates. Instead these are set by non-governmental campaign groups. In the event that a reputable campaign group wish to organise and fund the research, design and maintenance of a living wage rate for Jersey then in my opinion the Government should consider their proposals at that time and consider what part, if any, the Government should play.

3.6.1 Deputy M. Tadier:

While it is of course true that different jurisdictions take different approaches and many facilitate third sector organisations in their efforts, that it is true that governments all over the world have to pick up the consequences of when a minimum wage is significantly less than a living wage because it is them who funds the difference. Will the Minister at least acknowledge that it is Government's place to facilitate a living wage and, in fact, tomorrow can we expect that we have got a report saying why a living wage is a bad thing rather than an open minded review of what the living wage could achieve under all circumstances?

Deputy S.J. Pinel:

As the Deputy well knows I cannot comment on a report which has not yet been released. The briefing is tomorrow lunchtime and all will become apparent.

3.6.2 Deputy G.P. Southern:

On a more general front and not referring to the specifics of the report, does the Minister accept that one of the aims of moving to a living wage is to reduce the dependency culture, dependency on benefits, in order to have a reasonable wage?

Deputy S.J. Pinel:

Again, I refer to the report. It is not Social Security's report. It is the Chief Minister's report and I cannot possibly comment on it until it is released tomorrow.

3.6.3 Deputy G.P. Southern:

The report is not specifically about ... it is specifically not about the report. It is about the general thrust of the living wage to take people out of the benefit culture. Is that not the case?

Deputy S.J. Pinel:

I can only compare with London where only 2 per cent of low-paid employees have had an increase in wages as a result of a London living wage. It is very small amounts. There are around 5,000 low-paid employees in Jersey based on those earnings less than the minimum wage plus 5 per cent, which means around 100 low-paid employees may benefit from the introduction of a living wage. This small percentage would have a minimal impact on benefits and supplementation.

3.6.4 Deputy A.D. Lewis:

The Minister in this Chamber has said before that the objective of the Government is to aim towards a living wage within the next 15 years. Does she feel that is an acceptable period of time when this similar effect could be achieved in less than 5 years?

Deputy S.J. Pinel:

I think the Deputy is referring to the increase of the minimum wage, which was set between 5 and no longer than 15 years, which takes us to 2026. But it would then reach 45 per cent of the mean or average wage.

3.6.5 Deputy A.D. Lewis:

Are you suggesting then that that calculation is nowhere near the living wage because my understanding was that that calculation was to get towards a rate that was likely to be very similar to a living wage?

Deputy S.J. Pinel:

One can do very many calculations, as will be seen in the report tomorrow, as to what a living wage will be. There is no set line for a living wage, as obviously demonstrated by the U.K. and the U.S. (United States), and the U.S. living wage is not applied in the U.K. So there are many jurisdictions with very many different figures on this. So the increase would certainly put the minimum wage up, which of course is statutory. The living wage is voluntary and it is up to the employers as to whether they can raise that level.

3.6.6 Deputy M.R. Higgins:

I must admit I am surprised that the Minister shows so little interest in arriving at a living wage in the Island when we know that her own department's budget is having to supplement low wages in the economy. At a time when we have a deficit I am surprised she is not trying to encourage

employers to adopt living wages so that their employees will not be calling upon the Social Security Department to top up their salaries.

The Deputy Bailiff:

Is there a question, Deputy?

Deputy M.R. Higgins:

Yes, does she accept that analysis, that her department is paying an awful lot of money to low-paid workers ...

The Deputy Bailiff:

Deputy, could you just ask a simple question please?

Deputy M.R. Higgins:

Very well, Sir. **[Laughter]** How much money is the department paying out to low-paid workers on zero-hours contracts? That is a simple enough question. How much money? What is it costing us at a time when we have got a major deficit?

The Deputy Bailiff:

How much money is being paid out, Minister?

Deputy S.J. Pinel:

The amount of supplementation or tax-funded grants that helps to assist people on low wages, because it is not necessarily zero-hours contracts, it is low wages, is about £60 million a year.

3.6.7 Deputy M. Tadier:

Is this the final ...

The Deputy Bailiff:

This is your final supplementary.

Deputy M. Tadier:

You took me by surprise there. Does the Minister accept that if we are to look at a living wage in the round seriously that the first thing that we need to do as a government is establish what a living wage is in the Jersey context and forget about other jurisdictions. Then once we have that figure, then we can start having a meaningful discussion and if she does - she is nodding her head - when will we get a living wage figure for Jersey from which we can all start to work?

Deputy S.J. Pinel:

As a Deputy, you will be well aware the Social Security Department, in conjunction with the Chief Minister's Department, are producing this report and have taken some considerable time to do so with a lot of analysis and review. So once the report is released, we will then ascertain what the feedback is and go forward but it is not government that will set a living wage rate. It will be a campaign or pressure group and we will then have to see what they say. They will be the ones that will have to fund the further review on top of the already extensive analysis in the living wage report due out tomorrow.

3.6.8 Deputy M. Tadier:

A supplementary. Does the Minister accept that there needs to be some co-ordination? We have a body which sets the minimum wage and that is not the Government but it is a government setup

body which is independent. Does she also acknowledge that for the living wage to have credibility, it needs to be perceived to be independent and it needs to be official and how would that work?

Deputy S.J. Pinel:

It absolutely should be independent because it is a voluntary situation and employers would have to agree on their own behalf to implement it within their own businesses and it should not be government backed.

The Deputy Bailiff:

That brings us to question number 7 that the Deputy of Grouville will ask the Minister for Economic Development. Deputy.

Deputy C.F. Labey of Grouville:

Sir, I would like to ask for the Assembly to withdraw this question as, since submitting it, I have managed to set-up a meeting with the Assistant Minister who deals with digital and coincidentally C.I.C.R.A. (Channel Islands Competition and Regulatory Authorities) and I think this is a more constructive way to proceed initially anyway.

The Deputy Bailiff:

Yes, Deputy, you do not have to ask the question when it comes to you. That is then question number 8 which Deputy Tadier will ask of the Minister for Social Security.

3.7 Deputy M. Tadier of the Minister for Social Security regarding the minimum wage:

We get some continuity now that question 7 has been withdrawn. How much lower than the living wage does the Minister believe that the minimum wage should be?

Deputy S.J. Pinel (The Minister for Social Security):

In attempts to provide a much shorter answer, this is an unusual question and there is a large difference between the statutory minimum wage rate and the voluntary living wage campaign.

[10.30]

These 2 concepts have different underlying purposes and are calculated in different ways. To answer the specific question, I do not believe that it is possible to have a general rule that would make any specific link between a minimum wage rate and a living wage rate.

3.7.1 Deputy M. Tadier:

Yet we already do have a link which has been set-up when it comes to establishing what the minimum should be going forward. It should be 45 per cent of the median wage so we have already set a link up there. I suppose the underlying question comes back to the fact that every penny that the minimum wage is lower than the living wage, that is a penny that the taxpayer has to pay to subsidise employment and employers who cannot afford to pay a wage that meets the living costs of the individual who is providing their labour. Does the Minister accept that that is an issue that needs to be addressed because this is hidden subsidy which is ultimately being picked up by the taxpayer in times of belt-tightening and does she accept that that is an issue?

Deputy S.J. Pinel:

I agree with the Deputy that, in some cases, it is an issue but there are very many ranges of household costs which is what a living wage is supposed to address and, as I keep saying, the report

tomorrow will answer a lot of these questions and I am not at liberty to discuss the contents of that at this stage.

3.7.2 Deputy A.D. Lewis:

It is generally accepted that the living wage is higher than the minimum wage. Relative poverty exists in Jersey. Does the Minister accept that and does she accept that introducing the living wage would give us a huge opportunity to deliver everybody out of relative poverty in Jersey?

Deputy S.J. Pinel:

As the Deputy started off at the beginning of the question, it depends what one's concept or expectation of a figure of a living wage is. In some calculations, as we mentioned earlier, the living wage comes out at a lesser sum than the minimum wage so I think a lot of preconceptions have been adopted in as much as the living wage potentially would be considerably higher than the minimum wage. This may not be the case and there is always, as I have said before, a way to supplement lower income families to have a reasonable level of household expenditure.

3.7.3 Deputy A.D. Lewis:

The Minister is misleading the House. The general acceptance of a living wage is that it is higher than a minimum wage. There is only one example I am aware of where it is different and can the Minister accept that? The living wage is generally always higher than the minimum wage in most cases throughout the world.

The Deputy Bailiff:

Presumably you meant the Minister is unintentionally misleading the House.

Deputy S.J. Pinel:

Increasing the living wage rate, or introducing one to start off with, theoretically increases a household's income but this does not guarantee that each household meets its basic cost of living. How can a single hourly rate be the same for each household? As living wage rates are voluntary, only those employees earning lower than the living wage and employed by an employer paying a living wage are positively impacted and, as I have said before, more details are available in the report tomorrow.

3.7.4 Deputy G.P. Southern:

Another piece of accidental, unintentional misleading. I think the Minister referred to 45 per cent of the median wage when she meant 45 per cent of the mean wage as the target for changing the minimum wage. Does she nonetheless accept that what both the living wage and the minimum wage seek to address is in-work poverty and that the relative low income line is 60 per cent of the median wage which works out as £16,500 a year which is way above the marks that we are talking about now? Does she accept that that is a target that the living wage or the minimum wage should be addressing, 60 per cent of the median?

Deputy S.J. Pinel:

I have to correct the Deputy. I did say "mean". It was somebody else who said "median".

Deputy G.P. Southern:

But that is no answer at all.

Deputy S.J. Pinel:

Can we just ask the Deputy to repeat the last part of his question please?

Deputy G.P. Southern:

Does the Minister accept that both the minimum wage and the living wage are designed to address the issue of in-work poverty and that the proper target is 60 per cent of the median wage which is the relative poverty line which should be addressed by either or both of those 2 wages?

Deputy S.J. Pinel:

Yes, I agree with the Deputy. Between the 2, the median wage and a potential living wage, then in-work poverty should be addressed.

3.7.5 Deputy A.D. Lewis:

Has the Minister not just stated what her calculation might be for the living wage?

Deputy S.J. Pinel:

No. The calculations almost comprise a tome of a book so I could not possibly go into it all now.

The Deputy Bailiff:

A final supplementary, Deputy Tadier.

3.7.6 Deputy M. Tadier:

Does the Minister share my aspiration that every full-time worker in Jersey should be able to enjoy a reasonable standard of living without having to rely on government to top up their wages to meet their living costs?

Deputy S.J. Pinel:

Yes, and the Deputy is well aware of the division of industries employing people on a minimum wage. Public sector rates of pay generally start at a minimum of £9.35 which, in anybody's expectation based on a London living wage, would be in excess of that.

3.7.7 Deputy M. Tadier:

Is the Minister suggesting that we have different minimum wages and different living wages per sector to that we could see an agricultural sector ...

The Deputy Bailiff:

Is that the final, final ...

Deputy M. Tadier:

This is a supplementary.

The Deputy Bailiff:

... supplementary, is it?

Deputy M. Tadier:

Yes, thank you, Sir. Is she suggesting that we have different rates per sector so we could see an agricultural sector which exclusively employs immigrant labour at £2 an hour because that is more than what they get in their own country and that we have a finance wage which might be at £12 an hour?

Deputy S.J. Pinel:

No, not at all. The minimum wage has been introduced to avoid exactly that; avoid exploitation of any workers and to create a level playing field for employers.

The Deputy Bailiff:

That brings us now to question 9 which Deputy Andrew Lewis will ask of the Minister for Health and Social Services. Deputy Lewis.

3.8 Deputy A.D. Lewis of the Minister for Health and Social Services regarding patient treatment abroad:

Would the Minister summarise the history and status of any negotiations conducted during the last 5 years with non-U.K. authorities regarding the possibility of sending Jersey patients elsewhere for treatment? Thank you, Sir.

Senator A.K.F. Green (The Minister for Health and Social Services):

There have been no formal negotiations over the last 5 years with non-U.K. authorities regarding the treatment of Jersey residents. In 2014, Rennes Hospital in France invited members of the senior H.S.S.D. (Health and Social Services Department) team to visit their hospital and discuss any possible opportunities for them to provide treatment in France for Jersey residents. We shared activity levels and examples of procedures to enable them to access costing, we discussed with them ways of assuring the quality of their clinical outcomes and some logistical challenges such as travel and language. We discussed the method by which we would contract in the future and that would be via a tender process detailing cost and benefit. To that date - and I have got a little bit more to say on this - we have heard nothing more from Rennes regarding their costing exercise. However, recently awarded contracts for cardiology, renal and neurology with U.K. hospitals were undertaken via the formal official journal of the European Union tender. This process is Pan-European and open to all European members so open therefore to non-U.K. authorities to submit a tender. However, tenders were only received from the U.K. providers and clearly the Deputy will be aware we occasionally refer patients to Guernsey for diagnostic tests.

The Deputy Bailiff:

Supplementary, Deputy.

3.8.1 Deputy A.D. Lewis:

Some anecdotal evidence suggests that there is a significant differential between the cost of private healthcare procedures in Jersey compared with some of our near neighbours, i.e. in France, a hip replacement costs about £7,000 and in Jersey, about £12,000. Mindful of this, could the Minister advise as to changes within the Health Service he would need to make in order to create the foundations for a possible centre for health tourism in the future?

Senator A.K.F. Green:

The Deputy is just slightly, by a few days, premature with that question because I have got a report winging its way to me literally as we speak from Ernst & Young who have investigated the possibility of expanding and the benefits and merits therefore of expanding private medicine. I have seen a preliminary draft and it is not as clear-cut as the Deputy might suggest.

3.8.2 Deputy G.P. Southern:

Does the Minister agree with me that the possibility of expanding procedures in Jersey to create a centre of excellence is a lot more difficult than people would imagine?

Senator A.K.F. Green:

I do agree with the Deputy that it is very difficult. I think it is worth, however, looking at to see whether there could be some benefit to ordinary patients by reducing costs generally and increasing the level of expertise but it is not as straightforward as people think. It is not helped by the fact that we have this extra piece of water between us and the mainland and I have been advised by one

potential provider that clients would not make that second flight. They may come from abroad to London but they would not make that second flight then to Jersey. If we are not careful, what we might do is end up attracting consultants over here who will take the work away from Jersey rather than keeping it in Jersey.

3.8.3 Deputy G.P. Southern:

Will the Minister do his utmost to ensure that, in the light of increased private services on the Island, charging does not extend to ordinary people and that healthcare for most will be free at the point of delivery?

Senator A.K.F. Green:

I am not going to fall into that one. As the Deputy knows, we are reviewing health charges at the moment and that is what we are doing.

The Deputy Bailiff:

Final supplementary, Deputy Lewis.

3.8.4 Deputy A.D. Lewis:

Is the Minister concerned about the high cost of some procedures in Jersey? I accept that, to attract the best consultants, fees have to be at the upper limit but is he concerned about the price that private healthcare has to pay to access consultants in Jersey?

Senator A.K.F. Green:

I am concerned about every cost, I am concerned about value for money and I am concerned about outcome and they cannot be taken separately. When I have this report, then I will look at it and, if the Deputy would like, I am happy to discuss it with him.

The Deputy Bailiff:

Then we come now to question 10 which Deputy Southern will ask of the Minister for Treasury and Resources. Deputy Southern.

3.9 Deputy G.P. Southern of the Minister for Treasury and Resources regarding

Can the Minister confirm that the cleaning contract for Morier House has recently been removed from cleaners employed by the T.T.S. (Transport and Technical Services) Department and outsourced to a private company and, if so, will he inform Members of the cost of the new contract, any savings made and any changes to the contract specifications involved?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

Could I ask my Assistant Minister Deputy Noel, who has responsibility for this area, to answer the question?

Deputy E.J. Noel of St. Lawrence (The Assistant Minister for Treasury and Resources - rapporteur):

Up until the end of April, the cleaning of Morier House was undertaken by cleaners employed by the Transport and Technical Services Department. T.T.S. has redeployed the existing 9-strong cleaning team from Morier House to fill a number of vacant cleaning posts within the T.T.S. cleaning portfolio. These vacant posts have been historically filled for the use of zero-hour contracts due to recruitment freezes within the organisation. The charge for the existing contract being delivered through T.T.S. is in line with other contracted works undertaken for J.P.H. (Jersey Property Holdings). As J.P.H. are in the process of finalising terms and costs with an external

cleaning provider to undertake the cleaning works with effect from 1st May, it would be prejudicial to disclose publicly the current costs of providing these services. Until final terms are agreed, it is not possible to quantify the cost savings to the public but these are expected to be in the order of between 25 per cent and 35 per cent of the original costs. The cleaning specifications for the external provider are exactly the same as that previously provided by the T.T.S. cleaning team.

3.9.1 Deputy G.P. Southern:

A point of clarification, if I may. The Minister seemed to indicate that from 1st May, the new cleaning contract was in place and that cleaning was taking place with a new company and, yet, it seems to be still open for negotiation. Can the Minister clarify whether the cleaning is being done now by this private firm?

Deputy E.J. Noel:

Yes, the work is being carried out by the private firm but there are sundry items that we are in discussion with and that has meant that we have not been able to finalise the final price for this particular contract. But as I have already said, we are expecting it to produce at least a 25 per cent saving and potentially up to a 35 per cent saving on the original costs.

The Deputy Bailiff:

I will allow you a further supplementary.

Deputy G.P. Southern:

Thank you, Sir. Yes, a supplementary?

The Deputy Bailiff:

Well, this is the final supplementary. There is no one indicating a desire to ask one on this matter.

3.9.2 Deputy G.P. Southern:

If that is your ruling, Sir, then I will have to accept it willingly with a smile on my face. So the question is, was there any change in the specifications of the cleaning contracts?

[10.45]

Are we talking one dust per week instead of 2 and is the Minister aware of any change in the terms and conditions of those cleaners undertaking this contract? Are they, for example, being paid less than T.T.S. cleaners?

Deputy E.J. Noel:

The Deputy is obviously having problems with his hearing today because he did not hear me answer that in my main answer. The cleaning specification for the external provider is exactly the same as previously provided by the T.T.S. cleaning team. I am also advised that the new firm does not use zero-hour contracts for its staff or for any of their client contracts so what is happening here is we are reducing the amount of people on zero-hour contracts and I am sure the Deputy would applaud that.

3.9.3 Deputy G.P. Southern:

The question was and what rate of pay are these new cleaners getting?

Deputy E.J. Noel:

What private organisations pay their staff is between the organisation and those staff members. What we can be assured is that they will have to pay the minimum wage at least. That is the law. It

is not for us to delve into private companies and force them one way or the other to pay certain rates of pay.

4. Questions to Ministers without notice - The Minister for Economic Development

The Deputy Bailiff:

We now come to questions without notice. The first question period is questions for the Minister for Economic Development. I see Deputy Southern.

4.1 Deputy G.P. Southern:

Continuing on the theme just left by the Assistant Minister to the Minister on my right there, figures reveal that of the 2,000 jobs created in our last manpower survey, 1,000 of those were zero-hour contract jobs. Can the Minister account for the prevalence of over 5,000 zero-hour jobs, one in 10 workers in Jersey on zero-hours, compared to other jurisdictions? What is the attraction of zero-hour jobs that is spectacularly successful in Jersey?

Senator L.J. Farnham (The Minister for Economic Development):

The contribution of the zero-hour contract is vitally important as we see a growing and changing economy. It allows business to employ additional people on flexible employment terms so they can grow their business.

4.1.1 Deputy G.P. Southern:

To what extent is the Minister aware that jobs in Jersey being advertised are largely zero-hour rather than full-time, permanent contracts?

Senator L.J. Farnham:

My understanding of the situation is that the majority of jobs are for permanent positions but it does show that there is a demand and a need for businesses to utilise zero-hours contracts. I align my comments with that of the Minister for Social Security and the Council of Ministers when, while we recognise there is a need for them, we fully support and will look to introduce measures that will make sure they are not abused.

4.2 The Connétable of St. Helier:

Could the Minister assure the States that ferry links for the U.K. are reliable and can be counted upon, particularly by tourists wishing to come to the Island for their holidays?

Senator L.J. Farnham:

I thank the Connétable for the important question. Yes, I am confident. Although it has been a very disappointing start by Condor, given the great optimism that surrounded the very successful launch of the new Liberation vessel, I do not think anybody could have imagined the problems it would run into. I am in regular contact at board level with Condor who are keeping me and my Ministerial team updated and they are working very hard to resolve the problems. The current problem is an electrical fault to the bow thruster which is currently undergoing maintenance, which means a restriction to operate the ferry in strong winds and, in relation to berthing, it is restricted but this maintenance should be fixed, I was told this morning, by 18th May. Moving on, the Condor Liberation is a lifeline, not only for passengers and visitors, but for freight and I am confident that the ship will be a success.

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

Further to news that the packaging company Amal-Grow, which I believe has been operating in Jersey since 1976, will be taken over by a local company with the aid of a States grant, which I fully support, will the Minister, in consultation with his fellow Ministers, continue to award grants to growers and farmers to enable them to remain competitive?

Senator L.J. Farnham:

Can I just first clarify the position? If the Minister for Treasury and Resources was to agree, it would be a loan with a commercial rate of interest and, yes, the matter of agricultural subsidies is one that is being discussed at Ministerial level and the Deputy can rest assured that E.D.D. (Economic Development Department) and my colleague at Environment will work closely with the agricultural industry to ensure that any changes in the subsidy would be with full consultation.

4.4 Deputy R. Labey of St. Helier:

Which is the more vital to the health of Jersey's economy: competition that delivers low cost call and data charges; or protecting a monopoly which delivers a fat dividend?

Senator L.J. Farnham:

Sorry, I am not sure. Could the Deputy just repeat that please?

Deputy R. Labey:

Okay. Do you want the whole question just redelivered, do you?

Senator L.J. Farnham:

Well, yes, as quick as you can please. [**Members: Oh!**]

The Deputy Bailiff:

Through the Chair, please.

Deputy R. Labey:

Which is the more vital to the health of Jersey's economy: encouraging competition which delivers low cost call and data charges; or protecting a monopoly which delivers a fat dividend?

Senator L.J. Farnham:

Well, we are not in the business of protecting monopolies and competition and innovation is at the forefront of our economic strategy.

4.4.1 Deputy R. Labey:

The Economic Development Department and the Treasury and J.T. (Jersey Telecom) and the J.C.R.A. (Jersey Competition Regulatory Authority) have all dragged their heels over this issue for a long time - a period of at least 5 years - leaving some to question whether that is coincidence or complicity. Will the Minister take up the case with the Minister for Treasury and Resources, who has sole shareholder responsibility of course, to ensure that positive action is taken as a matter of urgency?

Senator L.J. Farnham:

Yes, absolutely. I can also inform the Member that Senator Ozouf, who is Assistant Minister at E.D.D. with responsibility for this area, is being proactive at this very time. Thank you.

4.5 Connétable C.H. Taylor of St. John:

Can the Minister assure this Assembly that the honesty and integrity of this Assembly will be maintained by ensuring that the promises to the agricultural industry will be fulfilled in the next M.T.F.P.?

Senator L.J. Farnham:

I wonder if the Deputy could just be ... which promises he is referring to?

The Deputy Bailiff:

Presumably all of them. [Laughter]

Senator L.J. Farnham:

All of them?

The Connétable of St. John:

Particularly the financial ones but all of them.

Senator L.J. Farnham:

Well, I would have to say: "Yes."

4.6 Deputy G.J. Truscott:

We have had the first quarter of the year. Could the Minister give the Assembly an indication of tourist numbers, whether they are up or down on last year's first quarter, and also inform the House regarding whether forward hotel bookings are looking promising or not? Thank you.

Senator L.J. Farnham:

I am pleased to report there has been a very encouraging start to the year with visitor numbers up in both air and sea. Forward bookings are looking very strong, although slightly weaker towards the middle of the summer at the moment which is in line with the trend of late bookings, but we are ahead of last year, I am pleased to report.

4.7 Deputy S.Y. Mézec:

Could the Minister attempt to explain how taking money out of consumers' pockets in the form of self-charges and taxes and compulsory redundancies in the public sector is conducive to attempting to grow the economy?

Senator L.J. Farnham:

Our job at E.D.D. is to create new job and career opportunities and that is why we have to work very hard to ensure we create new jobs in the private sector because we are not going to be able to sustain the number of jobs we have in the public sector.

4.8 Deputy J.A. Hilton of St. Helier:

The Minister is quoted in last night's *Jersey Evening Post* saying: "Government does not like to interfere in business and in a free market economy, I think we should interfere as little as possible." How does the Minister reconcile that statement with the Council of Ministers' plans to deliver the Jersey Finance Centre in direct competition with the private sector? [Approbation]

Senator L.J. Farnham:

This Assembly established the States of Jersey Development Company to make far better use and take a much more commercial approach to the utilisation of the States assets and that is a move that the Assembly support and I support. Ironically, I recall the uproar when a developer was suggested. There was strong opposition because a number of Members at the time and members of

the public felt it was wrong we were giving potential profits to a developer when we should be doing it ourselves. So sometimes we cannot do right for doing wrong.

4.8.1 Deputy J.A. Hilton:

Sir, a supplementary. Does the Minister not agree with me that the Waterfront Master Plan was debated by the States in 2008 before we went through the massive financial dip that the whole world went through and that we should not taking chances with taxpayers' money and we should indeed allow the private sector to get on and deliver office blocks?

Senator L.J. Farnham:

Since 2008, there has been a lot of water under the bridge and I am pleased to report we seem to be coming out of recession. There is a strong demand growing, especially in the medium-term for Grade A office space, and it is important that we work to meet this demand, not only on the Waterfront but fully encourage all private developers as well to make sure we have the appropriate office space available not just to attract new business but to make sure important businesses stay here and they are not forced to relocate.

4.9 Deputy M.R. Higgins:

Following on from the last question, the proof of the pudding are the pre-lets on the Esplanade. If they have not got them, they should not be developing the site now. My own question however is to do with Condor and the vessel Liberation. We were told originally it was supposed to be able to travel in all sorts of seas. We have since been told that it can only travel in moderate seas. Will the Minister tell us when the vessel is going to be operating in all the conditions we were originally told it was going to be able to operate in?

Senator L.J. Farnham:

Currently, all fast ferries operating in U.K. waters can operate in restrictions of wave heights of up to 3.5 metres. Because the Liberation is larger than most conventional fast ferries, further trials will have to be undertaken - which they are this year - in different weather conditions to see if the boat can gain certification to operate with a higher wave limit. But from a personal point of view, and from my own experience, I do not think anybody would want to be out in waves over 3 or 3.5 metres. So despite the restriction, it is important that safety is taken first because sometimes if the waves are under 3.5 metres the company might still deem it unsafe to travel.

4.9.1 Deputy M.R. Higgins:

A supplementary? Can the Minister tell us when the trials are to take place?

Senator L.J. Farnham:

I am informed by Condor they expect to have the trials complete by the end of September this year.

4.10 Deputy A.D. Lewis:

Can the Minister update the House on progress at Visit Jersey and whether it is now fully staffed and has satisfactory agreement been attained with those members of staff that did not transfer from E.D.D. to Visit Jersey? Has that been attained?

Senator L.J. Farnham:

Just to update Members too on the staff at Visit Jersey. They are not fully staffed but full recruitment is taking place at the moment. From the 20 staff that were originally with Jersey Tourism, Visit Jersey will approximately finish with a head count of 16. Of the 20 staff, one retired, 2 were permanently redeployed across the States of Jersey, 7 resigned from Jersey Tourism to take up new employment with Visit Jersey, 2 are on extended secondment within the States of

Jersey, 3 are currently on trial periods for redeployment across the States of Jersey and 5 will be made redundant at the end of May.

[11:00]

This could rise to 8 if the 3 currently on trial period do not stay with the States of Jersey.

4.11 Deputy M. Tadier:

The Minister will be aware of R.40 which was a States of Jersey Complaints Board which had findings regarding a dispute which had arisen at Bouley Bay over fishermen and the Boat Owners' Association. Does the Minister agree that the sanction system that has been applied at Bouley Bay is the same for both leisure craft users and fishermen who use the facilities for their livelihood and it is inappropriate to have harsh sanctions for fishermen whose livelihoods will be at risk which may be appropriate for leisure users. If so, would the Minister be willing to look at the issue that is ongoing up there?

Senator L.J. Farnham:

Harsh sanctions are not in place. The permits that are given for users of Bouley Bay are the same for leisure users and fishermen of which I understand there are very few. The vast majority of users are leisure users. I did respond in full to the Complaints Panel. But they are not harsh, they are sensible requests to allow permits so everybody can enjoy using Bouley Bay. Members will know that it is tight down there, especially in the height of the season, and there has to be some sensible rule so that everybody can operate together down there. Now the Harbour Master is awaiting a response from the people in question and the Harbours Department - the officials to which I have delegated this - are doing their very best to accommodate the Sullivans. I very much do hope they meet with the Harbour Master as soon as possible so the matter can be resolved and everybody can enjoy using Bouley Bay together.

5. Questions to Ministers without notice - The Minister for Housing

The Deputy Bailiff:

I am afraid, Deputy, that brings the time allocated for questions to this Minister to an end. The next question period is for the Minister for Housing. Apparently the Solicitor General has his light on but does not in fact, so there seems to be some malfunction. So questions for the Minister for Housing. Deputy Tadier.

5.1 Deputy M. Tadier:

Would the Minister explain that when individuals are moved from their Andium properties to other properties for maintenance purposes with the option of going back into their original domiciles, will the original lease still be intact, the underlying question being will they be expected to go up to 90 per cent market rate or will their leases be protected?

Deputy A.E. Pryke of Trinity (The Minister for Housing):

I know I have answered several written questions from the Deputy so he is very well aware of the policy. If someone is having to move out, because of the bringing that block of flats or the house up to decent standards, when they go back, if they wish to go back, it is, as this House set back in 2013, 90 per cent of market value. This has been set down, as I said, by States Assembly and it is important that it does continue.

5.1.1 Deputy M. Tadier:

I would be grateful if the Minister could highlight that issue by circulating it. But does the Minister not agree that there is a fundamental issue of fairness? It is not the tenants who have asked for a new lease. They are staying in the same properties; they are being inconvenienced by being moved to other properties on a temporary basis before moving back in. The rents policy should apply as if they had not been moved in the first place. Is that not something which is fair? If she wishes to continue with that policy should that not come back to the Assembly?

The Deputy of Trinity:

As I have said, that is a States decision. The 90 per cent market value is to make sure that it is of market value that it also allows investment into the properties to bring them up to a decent standard. We have known for a long time, and the previous Minister for Housing at great length brought the Housing Transformation to the States, there has been marked under-investment in all States properties over many, many years and it is important that everything is brought up to date to a decent standard. That includes things like more insulation which will have a knock-on effect of tenants' bills which can only be a good thing.

5.2 Deputy G.P. Southern:

Can the Minister confirm that under the Housing Transformation Plan the £250 million bond will only achieve an extra 200 new-build properties on behalf of Andium Homes?

The Deputy of Trinity:

That bond, as the States know, is important. That is the only way that the Housing portfolio was going to be improved and investments in new houses as well. Part of that bond which is administered by Treasury and Resources goes into the upkeep of the refurbishment of social rental flats and investment into new houses; the exact figure I do not have with me.

5.2.1 Deputy G.P. Southern:

So the Minister appears to be saying that the £250 million bond is substantially only for refurbishments after which the 90 per cent rate, does she not agree, puts many families in housing poverty?

The Deputy of Trinity:

I did not say that at all. In the Island Plan we know that it is set. We re-zoned sites, brownfield sites and States-owned sites, to make sure that there are some houses and flats to be built up to a healthy supply between now and 2020. Some of that bond money will be used for that. That bond money will not stretch as far as I would wish but it is a step in the right direction.

5.3 Deputy J.A. Hilton:

Currently there are 210 families or single people in Band 1 in desperate need of housing and that is people who are classed as homeless. The question I wanted to ask the Minister was I believe it is States policy to deliver social and affordable housing on States-owned sites. We heard this morning the Minister for Education, Sport and Culture talk about Les Quennevais School being built elsewhere. Can the Minister inform Members whether any discussions have taken place about delivering social and affordable housing on the Les Quennevais site when it becomes vacant?

The Deputy of Trinity:

The Deputy is quite right. At this moment in time there are over 210 households in Band 1 which is the highest priority and those include urgent medical issues and those staying with families or friends or totally unsuitable accommodation, so it is a high priority. Regarding Les Quennevais School, when the school is re-sited, wherever it is going to be, I would like to think that property or

that area is used for affordable rent or affordable purchase. But those are discussions I still need to have and will continue to have in the years to come, I should think.

5.4 Deputy J.A. Martin:

As the Minister is looking at the whole strategic housing, are there any talks being had in following the Conservative Party in the U.K. in having talks with the Housing Trust who got many properties at £10 per plot in selling off their properties but with the profits coming back to the States to re-build more social housing that we need?

The Deputy of Trinity:

Yes, I have had some discussions with Andium only last week. Their preferred choice purchase, if that is the right phrase, is where tenants can choose to buy their unit or accommodation at a set price. They are slowly over the next years going to increase the number and so far it has been very successful. I would like to think that we can have discussions with the other trusts to encourage them to think of a similar scheme.

5.5 Deputy R. Labey:

Following on from Deputy Tadier's question, I wonder when Andium Homes presented the new plans for the La Collette low-rise to its residents who will have to be moved out because under these plans it is all going to be re-built, were they specifically explained that when they returned to those apartments, flats, units that their rents would go up?

The Deputy of Trinity:

Yes, I know that is one site that does need to be refurbished as a matter of urgency. The high-rise was refurbished about 18 months, 2 years ago and a great success. The low-rises, as the planning application has been put in place, Andium have been in discussions with their tenants and a regular newsletter comes out because customer service to them is important. The feedback from the customers to them is important as well.

5.5.1 Deputy R. Labey:

My question was about whether the tenants have been specifically told that the likelihood is that their rents are going to go up. I appreciate that the Minister may not have that information to hand now but I wonder if she would agree to get that for me and pass it on. I want to know if they have been specifically told that the likelihood is their rents will go up and by how much when they return to those flats. But my real supplementary here was about the grotesque over-development of the site, a trebling of the units, destruction of protected green land contrary to the new ideals of the Strategic Plan, I wonder if she might take a look at this and make her presence felt on it and whether she thinks it is appropriate.

The Deputy of Trinity:

I have been around the low-rise. It needs desperate refurbishment and if there is a way through design to increase the stock for social housing, as I just explained, that there is, between Band 1 and Band 2, 600 people waiting for units of accommodation and they are ranging from urgent to fairly urgent. When Andium come to refurbish, to get the most that they can providing it is well-designed and community space too which is important, they should be looking at as many units of accommodation as is possible providing, as I said, about community space and whatever but it is down in the design as well.

5.6 Deputy A.D. Lewis:

Can the Minister advise when the tenancy deposit protection scheme is likely to be operational and will she be undertaking any further consultation with landlords and tenants associations before commencing the scheme? Thank you.

The Deputy of Trinity:

Yes, I know I had some discussions last week with Deputy Lewis over the tenancy deposit scheme. It is ongoing, it has gone out to procurements and it has gone also to an independent reviewer of the process who has just come back I think yesterday to say the whole process was fair, transparent and open. We now will progress to a preferred provider and I shall be looking at that within the next 2, 3 or 4 weeks. We envisage it being - all going well - towards the summer of having a provider set and, yes, ongoing discussions, especially with the landlords because they are understandably concerned about the detail. So informing them and working through their concerns obviously is very important.

Deputy M. Tadier:

Can I give way to Deputy Martin? I have a temporary slip of memory.

The Deputy Bailiff:

Yes. Deputy Martin.

5.7 Deputy J.A. Martin:

Yes, well I was trying to help Deputy Tadier and Deputy Labey to get the Minister to admit it is not when they move out and move back, as soon as a tenant moves it could be to really even worse suitable accommodation that the kick-in of the 90 per cent rent starts. Can the Minister please confirm this for anybody who is any doubt as to how it does work?

The Deputy of Trinity:

I understand that Andium have been in consultation with the tenants. They are in consultation with tenants all the time and if either Deputies do have any concerns about the tenants, either come and see me or I recommend to go and see Andium Homes and they will explain it all to you.

5.7.1 Deputy J.A. Martin:

A supplementary. The Minister did not answer the question. The kick-in of the 90 per cent rent occurs as soon as you move, whether it is to new accommodation, it is temporary, it is the first move that inserts that 90 per cent of rent. That is what I am asking the Minister to confirm and I do not need to talk about extra tenants or advice. I would like it to be clear that everybody here understands it, let alone what tenants understand. Thank you.

The Deputy of Trinity:

Yes, I understand that it does but I can easily confirm that.

[11:15]

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

How has the Minister progressed with discussions to allow companion dogs or animals in all housing units administered under the Gateway scheme?

The Deputy of Trinity:

I know the Constable asked me that question last time and Andium, as you know, do have a set policy for pets. The other trusts do. I have not met with Les Vaux recently since her last question because they have just appointed a new chairman, who is the previous Senator Le Gresley, and I am due to meet them fairly soon and so that will be on the agenda.

5.9 Deputy J.A. Hilton:

The Island continues to face a chronic shortage in social and affordable housing. Can the Minister tell Members how many units are planned to be delivered during the term of this Government?

The Deputy of Trinity:

With the revised 2011 Island Plan there was enough set out in there on the re-zoned sites and brownfield sites for 70 per cent of the Island's need for 1,000 new affordable homes up to 2020.

5.9.1 Deputy J.A. Hilton:

A supplementary question. The Minister just said that there is enough re-zoned sites to satisfy 70 per cent of the need. What is happening about the remaining 30 per cent of need?

The Deputy of Trinity:

Regarding the other 30 per cent need I would like to think that will be covered by either support from the Parishes or by private developers.

PUBLIC BUSINESS

6. Deregulation Bill: application of certain provisions to Jersey (P.28/2015)

The Deputy Bailiff:

I am afraid that brings the period for questions to this Minister to an end. There are no statements under J and K on the Order Paper so we now move to public business. The first item is the Deregulation Bill: application of certain provisions to Jersey - P.28/2015 - lodged by the Chief Minister and I ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to signify, pursuant to Article 31(1)(a) of the States of Jersey Law 2005, whether they agree that clauses 102 and 109(1) of, and Schedule 21 to, the Deregulation Bill of the United Kingdom Parliament, to the extent they would repeal the Sea Fisheries Act 1868, the Fisheries Act 1891 and the British Fishing Boats Act 1983, should, if enacted, be registered by the Royal Court.

6.1 Senator I.J. Gorst (The Chief Minister):

The Deregulation Bill was introduced to the United Kingdom Parliament with the purpose of reducing the burdens on businesses in a number of different areas. The Bill also contained measures to revoke certain obsolete Acts of Parliament that are no longer of any practical use. Three of the Acts that were revoked had also been extended to Jersey and therefore to the extent that their revocation is intended to be given effect in Jersey Law, the Deregulation Bill also extends to Jersey. In accordance with Article 31 of the States of Jersey Law 2005 where it is proposed that any provision of a draft Act of the United Kingdom Parliament should apply directly to Jersey, the Chief Minister is required to lodge the proposal in order that the States may signify their views on it. As the Greffier just read out, the 3 Acts that are intended to be revoked are the Sea Fisheries Act 1868, the Fisheries Act 1891 and, slightly more recently, the British Fishing Boats Act 1983. These Acts are no longer of any practical use in Jersey and the relevant Jersey government departments have advised that there is no objection, in fact they are in favour, of their revocation. I ask Members to support the extension of this Act. Thank you.

The Deputy Bailiff:

Is the proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? If nobody wishes to speak on the proposition, if those Members in favour of the proposition kindly show? Those against? The proposition is adopted.

7. Draft Shipping (Oil Pollution) (Liability and Compensation) (Jersey) Law 201-(P.29/2015)

The Deputy Bailiff:

The next item is the Draft Shipping (Oil Pollution) (Liability and Compensation) (Jersey) Law lodged by the Minister for Economic Development and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Shipping (Oil Pollution) (Liability and Compensation) (Jersey) Law. A Law to continue to give effect in Jersey to the International Convention on Civil Liability for Oil Pollution Damage, 1992 (“the Liability Convention”), and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992 (“the Fund Convention”); and to give effect in Jersey to the Protocol of 2003 to the Fund Convention (“the Supplementary Fund Protocol”); and for related purposes. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

7.1 Senator L.J. Farnham (The Minister for Economic Development):

Through this law the Island would continue to give effect to 2 important oil pollution conventions. These regulate the liability for and provide compensation in the event of damage caused by oil pollution from shipping in Jersey waters. The conventions are currently implemented in Jersey by United Kingdom Order in Council. This was extended to the Island in 1997. Unfortunately, following a number of major oil disasters around the world, experience has shown that there can be a shortfall of funds available under these conventions. The law will therefore also allow the Island to gain access to a supplementary fund not currently available in Jersey. Access to this fund will be a valuable supplementation to the original 1992 fund. This will ensure that adequate compensation is available for victims of oil pollution and damage. Although the Island has been mercifully free of damage from a major oil spill for many years, the potential still exists and although we hope it will never happen, we cannot rule it out. The addition of the supplementary fund represents a change from a maximum compensation level of approximately £188 million rising to £694 million. Access to the supplementary fund will provide access to a much higher level of funding. As the fund will be new to Jersey, discussions have taken place with the U.K.’s Department of Transport to ensure that ratification on our behalf is supported by the U.K. and I am pleased to say they have been very supportive. The new law will also provide in one Jersey statute a comprehensive maritime pollution compensation liability regime. I am therefore pleased to propose the principles of the draft law to the Assembly.

The Deputy Bailiff:

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles? If no Member wishes to speak on the principles, could I ask those Members who are in favour of the principles kindly to show? Those against? The principles are adopted. This is a matter that comes, I think, with the Economic Affairs Scrutiny Panel and that is the Connétable of Grouville. Is this something that ...? He is excused, I beg your pardon. In which case Deputy Brée, I think, is the Vice-Chairman? He is not?

Connétable M.J. Paddock of St. Ouen:

Can I speak on behalf of the scrutiny panel?

The Deputy Bailiff:

Please do, Connétable. It is of huge relief to me that someone is going to. [Laughter]

The Connétable of St. Ouen:

If I can oblige, we will not scrutinise this. Thank you.

The Deputy Bailiff:

Very well, it will not be taken to Scrutiny. In which case, Minister, how do you wish to deal with the Articles?

7.2 Senator L.J. Farnham:

The details are provided in the explanatory note but Members will be pleased to know that much of the new law is taken word-for-word from the 1997 Order in Council which already applies in Jersey but with the addition of specific provisions for the supplementary fund protocol. Part 1 is self-explanatory and consists of interpretation provisions, exclusions for Her Majesty’s and other governmental vessels unless specifically included and the recognition of countries which have agreed to the relevant international instruments. Part 2 follows the 1997 Order in Council and re-enacts the existing liability provisions. Article 8 provides a useful difference from the current provision in that it allows the Minister to update limits on owner liability by Order. At the moment these adjustments can only be done by the U.K. Secretary of State which in turn then require local application and modification of the Order in Council. This change puts the States in charge of such matters which makes the process simpler. Part 3 of the law also follows the present Order in Council adding in the references to the supplementary fund. Article 25 provides for when the supplementary fund could be accessed and the details of that are spelled out in Schedule 2. Part 4 covers jurisdictional matters concerning offences, tax exemptions and the power to make Regulations. Specifically, Article 35 of the draft law includes Regulation-making powers so that new or modifying international agreements can be agreed by the States without new primary legislation and this is not possible under the current Order in Council. I trust I have covered the salient points and I would like to propose the law *en bloc*.

The Deputy Bailiff:

Are the Articles and Schedules seconded? [Seconded] Does any Member wish to speak on Articles 1 to 37 or Schedules 1 and 2? If no Member wishes to speak, then those Members in favour ...

Deputy G.P. Southern:

Could we have the appel, please, Sir?

The Deputy Bailiff:

The appel is called for. All Members wishing to vote please return to their seats. I ask the Greffier to open the voting.

POUR: 33		CONTRE: 0		ABSTAIN: 0
Senator A.J.H. Maclean				
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				

Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy of St. John				
Deputy M.R. Higgins (H)				
Deputy S.J. Pinel (C)				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy S.Y. Mézec (H)				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Deputy Bailiff:

Do you move in Third Reading?

Senator L.J. Farnham:

Yes, Sir.

The Deputy Bailiff:

Is the law seconded in Third Reading? **[Seconded]** Does any Member wish to speak on the law in Third Reading? If no Member wishes to speak then all those in favour of adopting the law, kindly show? Those against? The law is adopted.

8. Gas Tariffs: review by Jersey Competition Regulatory Authority (P.32/2015)

The Deputy Bailiff:

The next item of public business is the Gas Tariffs: review by Jersey Competition Regulatory Authority - P.32/2015 - lodged by Deputy Southern and I ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to request the Minister for Treasury and Resources, or another Minister as appropriate, to bring forward Regulations for approval by the States, under the powers assigned by Article 89(1) of the Jersey Gas Company (Jersey) Law 1989, in order to vary the Jersey Gas Company's domestic and commercial tariffs by 1st October 2015 in the light of the recommendations of the Jersey Competition Regulatory Authority resulting from its review of fuel markets.

8.1 Deputy G.P. Southern:

Down to the serious business: gas prices. Members will recall that I brought a proposition earlier in the year to reduce gas prices by 5 per cent which then provoked a reaction from the gas company and we eventually got a 3.5 per cent reduction in the price of gas. But the issue does not go away with that and this proposition seeks to protect residents in the Island, especially the elderly, from the consequences, should it occur, of further gas price rises over the coming year in time for next winter. Just to remind Members what has been happening over the previous few years, let us start with the proposition I brought last time where Age Concern Jersey was pointing out that statistics show that more Islanders over the age of 75 die during the colder winter months than at other times of the year. The head of Age Concern was quoted as saying: "It is when they have not got the money that they have to decide whether to heat or to eat. I do not think anyone should be put in that position, certainly not old people." Just briefly to go through the history of price rises which have seemed almost inexorable, inevitable over the months and years approaching to our present position. For example, in July 2011: "Jersey gas prices will be going up by 7 per cent which means a 15 per cent increase since the beginning of the year." January 2012: "Gas prices will not be reduced in the coming months despite suppliers in the U.K. slashing bills following a reduction in wholesale costs." May 2012: "Gas prices to rise by about 5 per cent." January 2013: "Guernsey and Jersey gas prices rise by a further 3 per cent." August 2013: "Channel Islands gas prices to go up by 3.5 per cent." Then August 2014, just before the winter sets in: "Jersey Gas announces a further 2.9 per cent rise" which brought the total increase in domestic gas tariffs to about 33 per cent, a third, over the 4-year period.

[11:30]

Now, I am not suggesting that that is going to happen this year. It may well be that gas prices which came down massively during 2014, for example, dropped by a quarter in March 2014 and dropped by over half in the period October to December 2014. So massive price drops in the wholesale price of propane have occurred and we have seen a small reduction of 3.5 per cent in the price of our domestic gas. The Ministers are aware that this is an issue and that we have to do something about it one way or another. We simply differ over the ways. So, for example, the Strategic Plan contains the statement: "Cost of living pressures are a growing concern to many Islanders. Government can play a key role in helping relieve those pressures by ensuring that markets and competition work in the interest of consumers, businesses and our economy." As ever, the Ministers are reliant on competition to control prices but what we have got in our gas supply is a monopoly market and we have to rely on the good efforts of the Jersey Competition Regulatory Authority to keep the prices down. For the sake of clarity, let us just make sure that, yes, we can by regulation dictate the price of gas if we wish. So Article 89 of the Jersey Gas Law says: "Where it appears to the States to be necessary to do so in the public interest, the States may by Regulations (a) determine the tariffs to be made by the company in respect of gas which it supplies and (b) specify the manner in which the tariffs are to be assessed and make provisions incidental thereto." So we can control the price if we wish. Now, the Ministers' comments make a great fuss of the fact, and it is halfway down, their comments, towards the bottom of the page: "It is not accepted that Deputy Southern's proposition was responsible for the 3.5 per cent tariff reduction." I do not have an argument about that. I think it may well have been suspiciously close to the 5 per cent that I was asking for but let us not argue about it; there was a drop. We successfully managed to get a drop in the price of gas. But the Minister says: "The proposition for the second time requests Ministers to bring forward Regulations for price regulation. However, this proposition pre-empts the work of the J.C.R.A. into the gas market as it assumes that price regulation will be necessary." No, it assumes that what we should have in place is that a Minister comes to the House and says: "This is what is happening to gas prices" whether that is up or down "and these are the reasons and the J.C.R.A. has investigated the market and accepts that this change in price is acceptable or not."

Or the J.C.R.A. does not accept the justification given by the gas company for these price rises, say, and then we are in the position to be able to say: “No, not in October this year, you are not going to put your prices up and we will, by regulation, prevent that happening” so at least we protect our old people, protect our residents over the winter months. Why does it not pre-empt this? Because in the proposition itself it says and I quote: “To request the Minister for Treasury and Resources, or another Minister as appropriate, to bring forward Regulations for approval by the States in order to vary the Jersey Gas Company’s domestic and commercial tariffs by 1st October 2015 in the light of the recommendations of the Jersey Competition Regulatory Authority resulting from its review of the fuel markets.” Now the arguments over who has caused what revolves around the fact that the Minister for Treasury and Resources says: “Back in October last year I was already on to this and I was instructing and discussing with the J.C.R.A. how we were going to regulate gas prices in the coming year.” Lo and behold, here we have: “The J.C.R.A. has indicated that phase 1 of the fuel market review, including the gas market, will be complete by the end of quarter 3 2015. The J.C.R.A. will report its conclusions to the Assistant Chief Minister at that time and an update will be provided to Members.” So, congratulations, Minister for Treasury and Resources, you got on the bandwagon, you have done the work, and you expect to report by the end of quarter 3 just in time for us to discuss it and understand what the tariff is about by 1st October. So this builds on the mechanism that we have got in place and says: “Should there be an argument between J.C.R.A. and the Jersey Gas Company (a) we should be able to understand exactly how we have got to the price structure we have got and (b) we should have some control over saying that is acceptable to us under Article 89 or it is not acceptable.” What we need to do there, I think, is protect our old folk from, potentially, gas price rises over the winter months. What it says, and I think it reflects remarks made by the Ministers themselves in their comments: “The comments provide a useful guide to actions that are required to understand and control the fuel market in general.” Now, what I ask of Members of this House is: what is your understanding of what has happened over the past 4 years to gas prices? At one stage we were told we do not consume enough gas so “we are putting the price up”. That was quoted and which seemed to me absurd. Incomprehensible to me. But nonetheless prices kept going up and up and up. They have crashed through the floor at the moment and yet we have seen only a 3.5 per cent reduction. What is going to happen come October? Let us be prepared. Like good Scouts, let us be prepared. Okay, let us have this measure in the wings just in case there is a further argument about the gas prices later on in the year, and that is what this says. As the Ministers say, they propose a review of fuel prices to be conducted on an open-book basis by the J.C.R.A. over the coming months to report to the Minister. What this says is: “Minister, report back to us so that we can understand and vote on, if necessary, what is the appropriate action to take.” As their comments correctly state we need - “we” - Members of this Chamber representing our voters: “We need to fully understand the issues in the local market before we can start to prescribe solutions.” This proposition says if we act in this way and be prepared, come October we will know what is going on and we will have the tools ready, prepared, to make sure that our voters, our residents, are protected from potentially gas price rises in October and through the winter months. So that is the proposition. I think it ties-in rather than opposes in any way the measures that are already in place that, starting October, they can report by the end of the third quarter. That is perfect timing for what we want to do in October. So I propose the motion and I will take questions.

The Deputy Bailiff:

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

8.1.1 Deputy K.C. Lewis:

It might surprise Deputy Southern to hear that I will be supporting this proposition. I do have many parishioners that are suffering with the “heat or eat” syndrome. Many people now with gas heating are shutting the gas off altogether to heating and just having it for a hot water only, many of which are installing wood burners or using their fireplace because they simply cannot afford the bills. So I will support this proposition 100 per cent.

The Deputy Bailiff:

Does any other Member wish to speak on this proposition? If no other Member wishes to speak then I call upon Deputy ... Senator Maclean.

8.1.2 Senator A.J.H. Maclean:

I am surprised other Members are not wishing to make an observation. The proposition asks for the Minister for Treasury and Resources or whichever other Minister that might be appropriate. I think the amendment or change was made to accommodate the fact that in fact this law sits under Economic Development but nevertheless the proposition covers that point and I am sure the Minister in due course will have something to say. I just wanted to make an observation or 2 about this proposition. It is clearly quite compelling, I am sure, from Members’ perspectives, to consider some form of control, particularly in areas where there is a sole supplier, a monopoly if you like, and, as such, prices are very emotive when they continue to rise and it does appear that that has been the case with this particular market. I would say though that the proposition itself makes a point under financial and manpower implications that Members will note that there is no cost associated with the proposition. But of course that is correct insofar as the proposition itself is concerned but of course a solution the Deputy is effectively alluding to is regulation. There is no case of regulating a market effectively without some form of body to have oversight of that particular regulation. That may well be, for example, the J.C.R.A. could act as regulator, but there could of course be additional costs associated. If the cost is not associated directly ... I know the Deputy wishes to speak; he will have his opportunity to respond when he sums up. But if there is a cost to be adhered to, that is inevitably passed on to either the operator or the consumer. So there is a cost somewhere and at this stage, because we do not know the extent to which the market may or may not need to be regulated, it is hard to assess what that particular cost may be and where it may fall. The reason, and the point that I am getting to, is that the Assistant Minister for Economic Development, Senator Ozouf, has specific responsibility for competition and he has initiated, with the support of the Council of Ministers, a review into the fuel market including the gas market and that is an absolutely appropriate action to have taken. It means that that review will be undertaken through the J.C.R.A. who will be seeking independent expert support in order to carry it out. Oxera are being used to help with putting that work together and when that review is concluded which, as Members will see from the comments, is quarter 3 this year, a course of action can be undertaken and if regulation is appropriate a mechanism will need to be considered and the associated cost. That is a proper, informed way of going about considering whether this market does need regulation. I should point Members to other markets where there is a sole operator and that is, of course, the electricity market. The J.E.C. operates, not under a formal arrangement of regulation, but of course we have seen how that market itself functions. Despite the fact that the J.E.C. are the sole supplier of electricity in the Island we can see prices in Jersey significantly below those in Guernsey and below many of the providers in the U.K. We have a competitive market there without the need for formal regulation. There may well be issues with the gas market that need to be addressed but I would encourage Members to give the J.C.R.A., whose remit this falls under, the opportunity to conclude their review so that we can understand the full impact of potentially regulating the market, the costs associated and so on rather than seek to take up law officers’ time to prepare regulations, the terms of which we are not clear and the detail behind which we are also not clear until this review has been concluded.

[11:45]

I have every sympathy, in conclusion, with this proposition and with the points raised by Deputy Southern. It is obviously a case that this Assembly would not want to see consumers unreasonably paying above the odds for the supply of gas and if that is proven to be the case then appropriate action will need to be taken. I think that is a point that all Members would support but I would implore that Members do it in an orderly fashion and allow the appropriate body the time to complete their review and the facts to be presented first.

The Deputy Bailiff:

Does any other Member wish to speak on this proposition?

8.1.3 Deputy M. Tadier:

My first thoughts, looking around the Assembly, is that there is quite a lot of consensus that gas prices are an issue and that there is very real events in people's lives over the winter months where they suffer. We have talked about heating and eating. We know that there are additional pressures which come in the form of rents or mortgages for people in these difficult times. What is being asked by Deputy Southern here is very minimal and very modest and even the rebuttal by the Minister seems that he was going through the motions there. There was no strong urging that this proposition is dangerous because it is not. It is very common-sense and there is no risk of any duplication because what the Deputy is asking for, after the report has come back in the third quarter of this year, is simply for the Minister, it may be this Minister, it may be another Minister, if appropriate, as appropriate, to consider what the situation is and act accordingly. That is all we are being asked to do. My question to the Assembly is, what kind of proposition would Deputy Southern need to bring for this Council of Ministers and this Minister for Treasury and Resources to say: "Yes, we think that is quite a good idea. We think that we can accept that." Because this is something that should be supported by all of us. It does not undermine any of the work that is going on; it simply puts an accent on that and a focus on that work and it is something we should all be getting behind because it is in the interests of our constituents wherever they live in the Island.

8.1.4 Senator I.J. Gorst:

This is one of these interesting debates where there seems to be a reasonable amount of consensus and the mover of the proposition is phrasing what he wants to achieve in most reasonable terms. He even intoned the Scout's motto. I am not sure whether it was "dib, dib, dib" or "be prepared". I think it was "be prepared" and we have just heard a fellow member of his party telling us just how reasonable this proposition is, how there is large alignment across the Assembly and what other way could the Deputy have phrased this particular proposition to make it more acceptable and to get as many Members voting pour as possible. Let us just remind ourselves quite what it is that the Deputy is reasonably asking us to do this morning prior to our lunch. Quite clearly, the Deputy is trying to dress-up price regulation; this Assembly deciding what price gas should be in our community as a reasonable thing to do. Let us not wait until the Competition Authority have done their work and make suggestions to us. Let us not wait for the experts in how markets operate give us advice. Let us throw to the wind free markets, for this is what we are talking about, and the party members ... they are waving their finger at me, but let us be clear this is what they are proposing this morning. Let us not believe that free markets should operate in our community, albeit within an appropriate competitive framework, which I believe that most Members believe is correct but let us, in our wisdom, decide what the price of gas should be in our community. That is what is being portrayed as being reasonable this morning. I do not think that is reasonable at all. I believe that the informed, the reasonable approach, to try and deliver fair prices and Ministers accept that there is a need for the Competition Authority to do their work. It is that Authority's

work with the support of the Assistant Minister for Economic Development that has already delivered a price reduction. So the process that Ministers are proposing is one that we see has worked already. It has already worked and yet suddenly we are being asked to deliver, to develop, to approve a different approach which history will tell us when we, in this Assembly, have tried to deliver price regulation it has never worked or the unintended consequences have been greater than the policy aim. So far from it being reasonable in the way that it is being portrayed I ask Members to consider whether the process, which has already this year delivered reduced gas prices, is not the right one for us to follow. It is appealing. It is appealing for us to be able to stand up today and suspect that we have done something which has made an improvement in regard to living standards and the costs of gas but we will not be able to know that until we have seen the Competition Authority's report. I believe that the best approach is to await the outcome of that report and then act accordingly and not to be lulled into believing that this particular action is the one that we should take today. The approach that Ministers are proposing has already delivered a price reduction in gas. Let us remember that before we are lulled into approving what those opposite have very eloquently suggested is a simple, straightforward and appealing step. I do not believe that it is and I ask Members to await the outcome of the report before considering any appropriate action.

8.1.5 Deputy S.Y. Mézec:

Unsurprisingly I will be supporting Deputy Southern here. I think in the Chief Minister's speech what we have heard is a bit of straw-clutching to be honest and some idealism when we are talking about a proposition that I think at its heart is about pragmatism. The Chief Minister talked about the role of the free market here. Well, one of the benefits of a free market is the competition it provides in driving-up standards and reducing costs but here we are talking about Jersey Gas, where is the competition there? We are talking about something that provides a monopoly and so you cannot really talk about basic free market principles on something where really they do not apply because the context is completely different. So think it is wrong to be ideological about this. We should be pragmatic. We are talking about a situation here where the price of wholesale gas is not being reflected whatsoever in what people are paying. The Chief Minister said we have already had success from the prices being lowered. Well, they have only been lowered 3.5 per cent and compared to what the value of the gas is, that is pretty paltry really when you think about it. The Council of Ministers has voluntarily started their own review on this and that is right. We support that. That is why Deputy Southern withdrew his previous proposition on this and we have to look forward to the outcome on that but the purpose of this proposition is to provide accountability. It is to say, when this review comes out act accordingly and be ready to intervene on the price of gas if necessary. The way the Chief Minister is describing it, it is as if we are imposing some sort of communist system on our gas supply here when that is blatantly not what this is about. This is a sensible pragmatic way of moving forward and providing accountability. At the end of the day if we are going to make people's lives in this Island better, if we are going to make sure that people are not struggling to afford to heat their houses in the winter we have to take an approach that works and we have to be prepared to put our money where our mouth is and that is what this does. It provides accountability. Why on earth would we, as elected parliamentarians here, seek to allow the executive to say it is going to do something without wanting to hold them to account at the end of the day? It just does not make sense and it will not end up with the right decision for the people of Jersey so this is the right decision. It is a pragmatic thing to do. Let us hold the Council of Ministers to account on this by accepting this proposition.

8.1.6 The Connétable of St. John:

I am a little confused as to how the proposition can go on about large decreases in the wholesale price of gas which is not reflected in the retail price. The Gas Company has to supply a storage

facility for the gas. They have to provide an infrastructure for the gas to deliver the gas to each household. This is a fixed cost. They have to maintain this gas link and they have to maintain a supply of gas to households. This all comes at a cost whether anybody buys gas or not. So if we can just think in arbitrary terms because being a simple person I like to try and explain things simply. Let us say there is a cost of £10 to every household and for each therm of gas you use you pay an extra amount. But the way gas is priced is it is put all into a single unit price and so the more you use the cheaper the gas becomes. Therefore, when the proposer said he could not understand why the Gas Company announced that gas consumption was down and therefore they could not put the price down because it would cost them more clearly showed a misunderstanding by the proposer on the simple business sense involved in gas supply. It is important that we understand all the intricacies and clearly we are not gas engineers, we are not gas geniuses and this is why we have an organisation such as J.C.R.A. to investigate these matters for us. It is simply, in my opinion, a vote of confidence in the J.C.R.A.; can they do their job, do we trust them and can we let them get on with it? I will be opposing this proposition.

The Deputy Bailiff:

Does any other Member wish to speak on this proposition?

8.1.7 Deputy M.R. Higgins:

I was not going to speak on this but we have the Chief Minister coming in with the defence of the free enterprise system. Now, contrary to his beliefs, he thinks that I do not support a free market. I do but I believe in responsible free markets and we know that free markets are not responsible because they are manipulated by all sorts of people in different ways. There are people who abuse their positions and so on. We have seen this particularly in the energy field. Now, what Deputy Southern is putting forward is a proposal that in the event that the Competition Authority comes up with something we take some action and take action then, not wait another 6 months while Ministers come up with a remedy and therefore this coming winter our elderly will not be able to heat their homes yet another year. So what we are actually doing then is trying to put in a mechanism to enable change to take place quickly once that report is out. So that is the first thing. Secondly, I have got to raise this again. I feel very strongly about ... there is definitely a total pure free market mentality in this House. People believe that markets are always right. All you have to do is look, for example, at the banking crisis of 2008. That was caused by irresponsible banking and who has benefitted since then? We have been in recession for 6 years because of the irresponsible activity of people supposedly operating in a free market. Those same bankers, by the way, who have been fined for rigging the L.I.B.O.R. (London Interbank Offered Rate) market, fined for mis-selling and all the other offences, billions and billions of pounds, by abusing their position within the market. Who bailed them out? It was the British taxpayer that bailed them out and one of the reasons why the U.K. economy is so sluggish and why there is such a deficit is because of those bailouts.

[12:00]

But it appears they have learnt nothing because they are still fighting the regulation in the U.K. So that aside, I have made my little speech about free markets and the lack of controls. In this particular case I would ask Members to support the proposition quite simply because it is a measure that can be adopted if the Competition Authority came out in a particular way. If they find there is no fault then they will not be adopting it, or this House will not be adopting it. So do not be scared into thinking that this particular proposition is going to cause change, right? It will only be used if and when necessary. I ask Members to support the proposition.

8.1.8 Deputy S.M. Brée of St. Clement:

The Chief Minister, in his speech, made a rallying cry to his troops. Let us not wait. He was having a go at that concept. Well, according to the comments paper that has been put out we commenced discussions about a review into gas prices in October 2014. The actual report is due out October 2015. Now, there may be a delay on the report. There is then thinking time from the Council of Ministers about what to do about the report. So that is 2 winters that could go by where the really vulnerable sections of our society are suffering because they cannot afford to heat their houses. That is the stark reality of where we are. The Chief Minister also mentioned about, we need to allow free markets to operate. Well, I am sorry my economics teacher taught me that free markets do not exist in a monopolistic situation. I further learnt from my economics teacher that in a monopolistic situation government does have a role. It has a role to regulate prices to ensure that the vulnerable sections of our population are not disadvantaged financially. We have a single provider. That single provider is an entity all in its own right. The only way in which we can protect those vulnerable members of our society is by agreeing that we will look at price regulation and that is really what this proposition is about. It is do we, as an Assembly, believe that we have a responsibility to our population? The problem we have is that the J.C.R.A. and its competence has been suggested that it is being called into question. It is not. That is not what we are saying. What we are saying is if the Assembly agrees with and votes for this proposition we have a mechanism in place by which we can take action and that action allows us to protect and support those vulnerable members of our society and that is why I will be supporting it.

8.1.9 Deputy R. Labey:

If we wait for the regulator to tackle gas prices we could be waiting 20 years, if J.T. is anything to go by. I mean if that is the sum total of the Chief Minister's opposition to this proposition I am afraid he does not carry me this time.

8.1.10 Senator P.F.C. Ozouf:

Can I apologise to the Assembly for not being here for when the proposition was called. The estimate was that it would be later and also was supposed to be taken at the last sitting. Time management is one of those things in politics that you must do and time management, which is relevant to this proposition, says that you can choose 4 areas of where you spend your time, urgent, not urgent, important and not important. Sometimes the ringing phone is the example given of the urgent and important. It is the journalistic question. It is often the thing that deals with politics and the short term nature of politics. Where I have just been - and I apologise for not being here - was talking to an eminent invited audience about mega trends, about what the world is going to look like in 20, 30, 40, 50 years' time and how Jersey is going to change. Why that is relevant to this proposition is one of the fundamental things is about energy and how energy is going to change dramatically with a world population which is going to increase, different types of energy becoming more expensive, others less, and what role is the question. I was supposed to be facilitating a workshop on what role government has in facilitating these issues. I was listening to the remarks of both Deputy Higgins and Deputy Brée and if I may say, and it is right ... and I thank Ministerial colleagues who I did not hear their remarks, I am sorry. Maybe they had my notes, I know, but they certainly felt probably that it was for me to rise to argue against this proposition because the Chief Minister, under Senator Farnham, before the States changes, if the States has a wish to do, the responsibility for competition falls within my portfolio and so I have some track record in this issue. I was the one that asked for the introduction of the Competition Law. I brought the J.C.R.A. into existence. Then I have been the poacher and I have done the J.T. work and I understand what Deputy Labey says about the time that it has taken. The first thing I wish to say is that this Council of Ministers backs fully the comprehensive review in a number of different areas. It is 10 years after the Competition Law that came in, which underpins this whole issue, and the Competition Law brought in 2005, which was decades after the Gas Law that the Deputy is

asking us to vary. That Gas Law was in 1989. The world moves fast. That Gas Law was passed in a world, the States were probably a bit late, but was cast in a world where people thought that it was okay, it is a 1970s ... it probably replaced an existing law, I have not done the research. It probably was a law that goes back to the 1950s and 1960s when government believed that it should do everything, that it knew everything, that it could make all decisions, that Bank of England and national industries, whether it be British Airways or British Telecom, were better run as government departments. So it is an old world and this relic of this law sought, in exceptional circumstances, to give this Assembly the regulatory power to set prices. I was at the Labour Party conference 2 years ago when I heard, I think he is the former, maybe he is the current, he is the leader of the opposition, Mr. Miliband, and I heard him say to an excited Labour Party ... I was very pleased to be there, I heard him say: "And the next Labour Government will freeze electricity prices for the first 2 years of office." Hooray, went the audience. Deputy Southern says: "Well said." **[Laughter]** If I did not hear that **[Interruption]**

Deputy G.P. Southern:

The Minister has some incredible powers of hearing because that is not what I said. I said ...

Senator P.F.C. Ozouf:

But you did say ...

Deputy G.P. Southern:

I am not proposing a freeze.

The Deputy Bailiff:

So, Deputy, you are going to clarify the interjection you should not have made. **[Laughter]**

Deputy G.P. Southern:

Exactly, if I can get away with it.

Senator P.F.C. Ozouf:

I am always happy to spar in a very polite way. The fact is that this is the second proposition that Deputy Southern has brought in relation to Jersey Gas. The first of which was, of course, 2 months ago. It was withdrawn when I made Deputy Southern aware of the work that was already underway in looking at the importance of looking into the gas market. I know that Deputy Southern has attempted to take credit and that is fine. If he wants to take credit, fine but he takes credit for that proposition being the 3.5 per cent reduction. I think there was a number of issues, if I may say, and I think the Constable of St. John also made some comments about the underlying market. Of course why that is relevant to the point that Mr. Miliband made was so utterly wrong was a Labour Government was going to freeze prices. Well, what happens if the market price goes down? I do not know whether Deputy Tadier was trying to intervene, I am not sure. If he wants to I will give way.

Deputy M. Tadier:

I was going to say the Conservatives were trying to freeze the pension and that is maybe what is going on here.

The Deputy Bailiff:

I think you can ask the speaker to give way for only 2 reasons, which is to clarify something you have said or to ask them to clarify something they have said and that did not appear to me to be either of those 2 reasons, Deputy.

Senator P.F.C. Ozouf:

The fact is that this Council of Ministers is taking the issue of household incomes and the value for money of household incomes and particularly the value for money for those households on lower and middle incomes. I am going to set out a very clear determination to do everything we can to assist. Where the market is not working, as a couple of Members have said, there is a role for intervention but it has to be the right kind of intervention, not a hobnail boot type of intervention that government and politicians know best. Where is the evidence that the Deputy in his report knows about the conclusions already of the J.C.R.A.? I say to, I think it was Deputy Brée or Deputy Higgins, no Deputy Brée, I went to some economics classes as well and I learnt some economics and maybe we will have to go back to some economic classes together; maybe we can get Lord John Eatwell to take us to economic classes at Queens' College, Cambridge or Dame Kate Barker for some of her economics lessons because I think the lessons that we learnt when we were at school, and I think Deputy Brée is a little older than me, I am not sure, but they were different. The economics of today and the experience of how to deal with markets and how to make markets work has changed. It has changed from when I was at school and it changed when I was at business school and it has changed again today and it has certainly changed since 2005, since we implemented the Competition Law. Many people believe that it is lowering the barriers to entry that we should be focusing our attention on. I share Members' frustrations. I share Deputy Labey's frustrations. I thank the Deputy of Grouville for her withdrawal of the question on J.T. earlier because there is work underway in tackling these real issues and it requires dedication, energy, enthusiasm and I think Members would agree, while they might not agree with me on some things, they know that I might have those 3 things and I am applying them in huge measure to this issue of competition. Making markets work, making the authority that has been set up - the expert authority - to deal with these important issues work well in the interests of consumers and to allow them to do their work unfettered by inappropriate political decision. I say there is an appropriate intervention in setting the terms of reference giving them the resources and giving them the tasks to do but it must be for them to adjudicate and to come to their conclusions. Now, what Deputy Southern is going to say is he is going to say: "Oh, that is all fine", because we should simply then take those recommendations because this is a binding proposition. This is a binding proposition which says that it is a request and I take requests seriously. I do not think any Minister ever takes a proposition. It is a request. It is a request in that way and I regard requests as almost, when you are requested to do something by this Assembly, you are expected to do it. So if a request is made to implement the recommendations under that old Article which this Assembly would issue price controls, and I do not know whether any Members have ... I am not going to test the Attorney General on his first day of his interpretation of Article 89(1) of the Jersey Gas Company (Jersey) Law although I am sure he could do it but this is a political matter. That Article is effectively the States of Jersey doing price regulation, setting the price. That is absolutely wrong. We must never be in a position where a government, where Ministers, where politicians say we know better. It is not good enough to simply say: "Okay, well, fine. We will have the J.C.R.A.'s recommendations and then we will debate them here." That is completely wrong. The J.C.R.A. must be unfettered in what they are doing. There are serious issues in relation to the gas market. This proposition, I do not think, pays attention enough, if I may say, to what is in the interests of consumers. It is not just about price regulation. It is about security of supply. It is about reliability of supply. It is about what is going to happen to Jersey Gas in 5 or 10 years' time. The thing that the panel session is talking about up at the Hotel de France at the moment. I want an energy market as a whole, not just gas, to be working in the interests of the medium and long-term interests of consumers; not a short-term approach, not an election-winning or losing or I do not know what statement that we are going to freeze something and then, by the way, of course, the bottom falls out of the oil price and where does a government, an assembly and a Labour Government that has fixed something that the market price has plummeted, as we saw with the oil price, because these, as the Constable of St. John says, are markets.

[12:15]

It is not simply a widget which is made in Jersey which has a fixed cost. It is an international commodity. It is a commodity which goes up in price. Price regulation is not only the approach. There are massive issues with the gas market and I am taking these issues seriously. The right body I do know to regulate and to ensure security of supply of all energy functions, and this is not just about gas, the work that we are doing. I want to understand, and I have stood in this Assembly many times and said I want to understand, why heating oil is at the price that it is compared to relevant comparative markets and it is not G.S.T. (Goods and Services Tax) or tax either. The petrol market; declare an interest, I own a garage but no pecuniary interest in that regard because I get no profit from it. But a small garage still operating in a market which would have gone ages ago with a margin which is inexplicable, 10p, 12p higher than where it is in comparable markets. This is costing consumers millions of pounds. Until the Competition Law came into effect in 2005 Jersey's inflation rate went up by 1 per cent above the U.K. People talk about G.S.T. That is a hidden G.S.T. of 15 per cent that every Islander has continued to pay. What happened in 2005? The Competition Law made inflation track that of the U.K. My ambition in dealing with these issues, taking these issues seriously, is to get that inflation sustainably lower than the U.K., to get back some of that private sector V.A.T. (Value Added Tax) that is imposed on the pockets of Island households, the lower income, middle income and upper income, getting to the real issues. These issues are not easy. They are not easily explained by a punchline, things that will get a round of applause quickly. They require good research and I am ensuring that there is good research which is going to be carried out in this gas market and all of the other energy markets in the Jersey Gas Company and frankly some Members have said they are not happy with the J.C.R.A., I think. Well, my job is to say: "Is the J.C.R.A. functioning?" I will back it. I think Ministers responsible for organisations should back the organisation. If there is a problem you change the people because that is what our responsibility is or you change their remit or you change the law. If it is not functioning, make it work. Do not try and find something in parallel to say: "Oh, we do not think the J.C.R.A. is working so, therefore we think we can do it better." You do not have a dog and bark, I think is the expression. The dog is the J.C.R.A. and so let us not try and pretend that we can do the barking of the work that needs to be done in the Gas Company. I cannot accept a proposition that seeks to, without even knowing the conclusions, request the Minister to implement them under an article of a law which frankly I think probably this Assembly needs to consider whether or not it is fit for purpose. The same article exists in the J.E.C. Law and we have had debates previously, Members will remember, when another Member brought a proposition identically using the same proposition as in the J.E.C. Law. It is not right. If we are going to regulate... and maybe there is a case for regulation, I understand that. I set up the J.C.R.A. as I understand that markets fail and if markets fail you have to regulate; that is what the role of government is, that you concentrate on lowering the barriers of entry and competition before you regulate; that is what you do do and then you make the whole of the market work well. This proposition sends a message that we know already what the conclusions of an expert body is. I will concede one thing, I think the J.C.R.A. should have looked at the Gas Company before. There has been 2 but I do not know why but I will have those conversations; I am having them. The first thing I did when I took the responsibilities after consulting with my predecessor is to agree that that was the case, that we needed to ask them to look at the gas, work was done on electricity and that was good. Work has been done on the fuel market; that is underway. Aviation fuel in Jersey is now some of the lowest in Europe because we have got competition because we fought and made sure there were no barriers to entry and I want to see that widened in the rest of the energy market. So work is underway. Let no Member of this Assembly, please, be under any illusion that there is steely determination and expertise which is being applied to this important issue of the issue of gas prices but not just now, not just in the length of this term of this office of this Council of Ministers, not just next year as a giveaway freebie but sustainably low and making the market work. This

proposition is so wrong in so many different ways. It is yesterday's proposition. It is yesterday's old law in a world that has changed. I want to do things properly and I am determined that the J.C.R.A. is allowed to do their work and if I find imperfections, if I find the J.C.R.A. has not got the necessary skills or resources based upon good advice, Oxera are carrying out this review, then we will make sure that they will do it and I will be the first Member, with the support of the Council of Ministers, and working with Senator Maclean, in his capacity as shareholder of some of these other entities, to bring laws or changes to this Assembly to make it work. This is the wrong proposition but the work is underway and we are determined to fix it.

8.1.11 Deputy P.D. McLinton of St. Saviour:

Firstly, I congratulate Senator Ozouf there. If we had a pound for every word he uttered we could give it to the Gas Company and they could give away free gas to all. Thank you. A lot of words. I think you made your point. Firstly, my possibly naïve understanding is that in the commercial market you buy in the fuel at the price it cost at the time and then you sell it at the price reflected in the purchase price, not in the price of the market at the time, this will affect surely the market price of almost any product. So I just want to wrap my head around that one. Secondly, there was a certain implication from the proposer, Deputy Southern, that any less than voting for his proposition would be that we would not be caring about the elderly on the Island and I find that, frankly, really rather offensive. I do care about the elderly on this Island. **[Approbation]** I was, and I really have - because some excellent points have been made - been swaying between voting for and voting against this. However, I am minded that the J.C.R.A. are doing a report into this right now. They will come to their conclusion. I will make my mind up after they have come to their conclusion and so I shall not be supporting this but thank you very much for all the points made.

The Deputy Bailiff:

Does any other Member wish to speak upon this proposition?

8.1.12 Deputy S.J. Pinel:

It is really just a point of clarification in a way. Several Deputies have referred, including the proposer and speakers, to the vulnerable and poor in our society who cannot afford to heat their homes in winter. May I just take this opportunity to remind Members that there exists the Cold Weather Bonus issued by Social Security to counter exactly that problem which some in our society experience? Details for those who are unaware of the Cold Weather Bonus, it is paid twice a year in January to reflect the previous quarter's temperatures and again in May to do the same of that previous quarter and are assessed on the preceding quarter's temperatures. This is paid to households that includes an adult over 65 and receiving an Old Age Pension or who have 10 years continuous residence in Jersey.

The Deputy Bailiff:

Does any other Member wish to speak upon this proposition? If no other Member wishes to speak I call upon Deputy Southern to reply.

8.1.13 Deputy G.P. Southern:

What an excellent and wide-ranging debate this was. Wide-ranging especially when Senator Ozouf arrived in the Chamber. He referred to markets and the regulation of markets. I remember when we invited an expert over here, I think it was about 2004 or 2005, an expert in small jurisdictions and small economies and one of the rules that she came out with there, and clearly enunciated, was that in the small economy there is a tendency to rely on monopolies but many utilities, and that when that occurs, and you have not got the lowering of barriers sufficient to make more than one company, then what you have to do, even in modern day, not just in the past, is to regulate that

monopoly. That is the role of governments. Now, that was 2004/2005. I remember well. We invited this person over, she gave an excellent speech and that is effectively the thrust of what she had; in a small economy you often need to resort to regulation because that is the way it works. So the thing about reducing the barriers to competition do not apply to small jurisdictions because there is not the size of market that can take the competition. Where, I would suggest, is the second gas company competing to supply us with gas? Ridiculous concept. There will not be 2 gas companies in Jersey or in Guernsey for that matter in a month of Sundays. We just will not see that. So the mantra about reducing barriers to competition does not work in this particular case and is completely irrelevant to this particular proposition. The second thing that has been repeated time and time again is that this pre-empts the work of the J.C.R.A. It does not. There will be no regulation in place tomorrow as a result of this proposition because it clearly says: "In order to vary Jersey Gas Company's domestic and commercial tariffs by 1st October 2015 in the light of the recommendations of the Jersey Competition Regulatory Authority resulting from its review of fuel markets." So let us just go through a few scenarios. What has happened, to start with, and let us think about this; how well do you understand the gas market? We got some simple lessons from over on the right, from the Constable of St. John, but let us have a look. He says: "Well, maybe 3.5 per cent reduction in the cost of gas is the right level", and it may well be the right level. However, what I can point to is the fall; it has gone through the floor. Commercial wholesale gas prices have gone through the floor. Back in March 2014 there was a 26 per cent drop in the price. Did we see that? No, we did not. We saw a price rise. In October a 12 per cent drop. In November - in the middle of winter - a 14 per cent drop. In December a 30 per cent drop. Overall, almost a 60 per cent drop in the price of gas. Now, I do not know what your hedging system is by which you purchase, and I am not expecting that that would immediately be a drop in the price then, but by golly I think a fall of 60 per cent in the last 3 months of last year might be being reflected with something a little more substantial than 3.5 per cent. So let us have a look at the future. What is going to happen? It may well be that gas prices start to climb again. The world economy recovers, gas prices go up and prices go up. Now, the J.C.R.A. are going to look at that and say: "Given the way prices are going this is reasonable", come October. Maybe prices are going to stay low and in their hedging policy, which has allowed them to reduce prices, then prices stay low, wholesale prices stay low and as we purchase more gas ahead in March, in April, in June, in July, in October, then the price stays low and we would expect that price to be reflected not pound for pound but certainly reflected in the price of the commercial and domestic prices that we are paying here. Now, it may well be that the J.C.R.A. will look at that and say: "Hang on, you have introduced a price drop of X when we do not think that is right." So, come October the J.C.R.A. will be reporting a note, the J.C.R.A. reports to the Assistant Chief Minister or to the Minister. It does not report to us. What this proposal says is that that Minister on receiving that report should then reflect that with recommendations to us. That is the reality. **[Interruption]** No, I am not going to give way. That is the way it is. Now, individual Members, I thank you all for your contributions. I would urge the Deputy on my left not to consider abstaining **[Interruption]** Right. That is fine.

[12:30]

Vote one way or the other. Commit yourself; that is right, lovely. **[Interruption]** Okay. Deputy Lewis, who opened the speakers and I know that he is very active in winter, he is delivering logs for people in order to be able to survive the cold winters, *et cetera*, a direct hands-on, appropriate. This is also a chance directly to affect prices in the coming winter. Now, a criticism was made that I suggested there was no cost to this. No financial or manpower implications from this proposition are clearly incorrect, I am told. No reasoning given, but as far as I am concerned the cost is to J.C.R.A. and the J.C.R.A. meets its cost by charging the people it regulates. So it seems to me there is no cost certainly to the States of Jersey in any way whatsoever. So that is dealt with, I

hope. The Minister of Treasury and Resources said he had great sympathy for this proposition and I remind him that I do not want sympathy, I want votes because politics is a game of numbers and there is no harm being done by, as I said before, being prepared in this case to act should we require to, should we need to, come October following the report of the J.C.R.A. and the response that the Minister gives to it. The Chief Minister said that by all means this appeared to be reasonable and then followed up with “on the surface”, to undermine it and said that regulation is the last thing we should do. Well, I ask Members to think about; yes, it is an old part of the law, Article 89 and I ask Members to consider why, what we are told are the great minds of the past, why they would consider putting that in the Jersey Gas Law and the answer is, because in their wisdom they thought at some stage we may well need it and that regulation sits there. The Assistant Minister says that it is too old but he has not got rid of it. He says: “I am not sure and I still have issues with the price of the petrol market, the domestic heating oil market.” Now, he has been beavering away about those costs for years to my knowledge, from when he was the Minister for Economic Development, prior to that, and he has still got this area as his responsibility and yet look at what has happened to domestic heating prices, petrol prices. Have we got control of those markets? I do not believe we have. Yet, he says: “Leave it to the J.C.R.A. We know what we are doing.” Then at the same time says: “But not with domestic oil and not with petrol prices. We do not quite know what we are doing with that because we have failed to take control of those.” Deputy Mézec says: “This is about pragmatism” and it is. This is not theory. This is not dogma. This is here in order that, I believe, we can best protect our elderly and those on low incomes during the coming year. Deputy Higgins, once again, ran through a few basic economic truths for the sake of the Assistant Minister and did so very succinctly and said: “What we are talking about here is pure free market” but free markets often are skewed. Often suffer from failure, just look at the L.I.B.O.R. market or the mis-selling of P.P.I. (payment protection insurance). That is a market which required regulation and quite serious regulation at the time. Deputy Brée pointed out that it was in fact our responsibility to protect our residents. Deputy Labey, I thank him for speaking briefly. Now, Senator Ozouf talked about a meeting he had been to previously which was looking at long-term trends in energy use and covering the next 19, 20, 30, I think he said 50 years. Well, I am afraid that is very useful. I am sure he has learnt a lot from that meeting but I would rather act in a shorter period than 50 years if I am going to protect, as I see it, those vulnerable this coming winter. He then suggested that I, like Ed Miliband, who was suggesting a freeze on gas prices when in fact that was far from the truth. What he was concentrating on was value for money and I think I have to go back to the words of the leader of Age Concern when she said: “That the choice last winter was either heat or eat”, and that is still a reality in this Island. Finally, to return once again ... before I do that he said that what I was doing was fettering the J.C.R.A. I am not fettering the J.C.R.A. I am producing a mechanism by which when they have reported to the Minister, the Minister reports to us and says: “These are the conclusions.” Now, is that right or is that not right? Let us act and let be prepared to act. He also then said: “That gas was an international commodity subject to world prices”, and again I am saying that is exactly the case and the world prices may go up, there may be a recovery, they may come down but what we are trying to do is ensure that Jersey Gas acts appropriately in response to those fluctuations in future when there is some evidence that it has not been substantially reflected in the past. Then finally, I come back to the comments of these Ministers on the original proposition which says: “We need to fully understand the issues in the local market before we can start to prescribe solutions.” What I am suggesting is that by October the Minister comes to us and explains to us so that we understand the way the market works and what is the appropriate pricing policy that should be applied and that we have in position the possibility for making sure that that happens by regulation. I maintain the proposition and I call for the appel.

Senator P.F.C. Ozouf:

May I make a point of clarification? The Deputy said that there would be a big gap between the time of the report and the J.C.R.A. when Members would get it. So I have been in email communication with officials in the J.C.R.A. and I will confirm that as soon as the J.C.R.A. provides the report to me, subject to any confidential information which needs to be redacted for obviously commercial reasons - which obviously Members understand - I will publish it immediately to Members.

Deputy G.P. Southern:

That is not a clarification.

The Deputy Bailiff:

It is a clarification.

Senator P.F.C. Ozouf:

The presumption was made it was going to be a long time. It will be immediately.

The Deputy Bailiff:

The appel is called for. I ask Members to return to their seats. I ask the Greffier to open the voting.

POUR: 13		CONTRE: 30		ABSTAIN: 0
Connétable of St. Saviour		Deputy J.A.N. Le Fondré		
Deputy J.A. Martin (H)		Senator P.F. Routier		
Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		
Deputy of Grouville		Senator A.J.H. Maclean		
Deputy J.A. Hilton (H)		Senator I.J. Gorst		
Deputy K.C. Lewis (S)		Senator L.J. Farnham		
Deputy M. Tadier (B)		Senator P.M. Bailhache		
Deputy M.R. Higgins (H)		Senator A.K.F. Green		
Deputy S.Y. Mézec (H)		Senator Z.A. Cameron		
Deputy L.M.C. Doublet (S)		Connétable of St. Helier		
Deputy R. Labey (H)		Connétable of St. Clement		
Deputy S.M. Bree (C)		Connétable of St. Peter		
Deputy T.A. McDonald (S)		Connétable of St. Lawrence		
		Connétable of St. Mary		
		Connétable of St. Ouen		
		Connétable of St. Martin		
		Connétable of St. John		
		Connétable of Trinity		
		Deputy of Trinity		
		Deputy E.J. Noel (L)		
		Deputy of St. John		
		Deputy S.J. Pinel (C)		
		Deputy R.G. Bryans (H)		
		Deputy of St. Peter		
		Deputy R.J. Rondel (H)		
		Deputy A.D. Lewis (H)		
		Deputy of St. Ouen		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy P.D. McLinton (S)		

If all members have had the opportunity of voting I ask the Greffier to close the voting and I can announce that the proposition has been rejected. There were 13 votes pour and 30 votes contre.

Deputy G.P. Southern:

Can we hear the 13 votes please?

The Greffier of the States:

The following Members voted pour; the Connétable of St. Saviour and the following Deputies, Martin, Southern, Grouville, Hilton, Kevin Lewis, Tadier, Higgins, Mézec, Doublet, Labey, Brée and McDonald.

Deputy G.P. Southern:

The 30 as well please?

The Greffier of the States:

The following Members voted contre; Senators Routier, Ozouf, Maclean, Gorst, Farnham, Bailhache, Green, Cameron; the Connétables of St. Helier, St. Clement, St. Peter, St. Lawrence, St. Mary, St. Ouen, St. Martin, St. John and Trinity and the following Deputies, Le Fondré, Trinity, Noel, St. John, Pinel, Bryans, St. Peter, Rondel, Andrew Lewis, St. Ouen, St. Mary, Truscott and McLinton. [INSERT VOTE TABLE]

9. Jersey Appointments Commission: appointment of Commissioners (P.33/2015)

The Deputy Bailiff:

We are 2 minutes off 12.45 p.m. Is the adjournment proposed?

Senator P.F. Routier:

The next one is just an appointment for commissioners. I would have thought it would be just a couple of minutes if that was ...

The Deputy Bailiff:

If it is just a couple of minutes we can move on.

The Deputy Bailiff:

The next item is the Jersey Appointments Commission: appointment of commissioners and I would ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked whether they were of opinion in accordance with Article 18(1) of the Employment of States of Jersey Employees (Jersey) Law 2005 to appoint the following persons as commissioners of the Jersey Appointments Commission, each appointment being for the period stated against their name in the table below. New appointments; Mr. Richard Plaster, 3 years; Ms. Louise Read, 4 years; Mrs. Jennifer Carnegie, 4 years and re-appointment Professor Ed Sallis, O.B.E. (Order of the British Empire), 18 months.

9.1 Senator I.J. Gorst:

It gives me pleasure to propose these nominees for the Appointments Commission. I would like to thank, if Members look at the report attached to the proposition, those Members who will cease serving and I thank them for their work over the years but I believe that the people being proposed

are themselves going to pick up where the others left off and provide an excellent service to the States in their position as Appointment Commissioners.

The Deputy Bailiff:

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition? No Member wishes to speak on the proposition. Those Members in favour of adopting the proposition kindly show? Those against? The proposition is adopted.

LUNCHEON ADJOURNMENT PROPOSED

Senator P.F. Routier:

I propose the adjournment.

The Deputy Bailiff:

The adjournment is proposed. The States is adjourned until 2.15 p.m.

[12:43]

LUNCHEON ADJOURNMENT

[14:15]

10. Draft Social Security (Reciprocal Agreement with Chile) (Jersey) Act 201- (P.34/2015)

The Deputy Bailiff:

The next item of public business is the draft Social Security Reciprocal Agreement with Chile (Jersey) Act, lodged by the Minister for External Relations, and I ask the Greffier to read the citation.

The Greffier of the States:

The States, in pursuance of Article 48 of the Social Security (Jersey) Law 1974, have made the following Act.

10.1 Senator P.M. Bailhache (The Minister for External Relations):

This is a reciprocal agreement which has taken quite a long time to reach maturity. In 1997 the Chilean authorities approached the United Kingdom Government with a request that a social security agreement be negotiated between the 2 countries and agreement was eventually reached and the Crown Dependencies were each invited to participate in the agreement and agreed to do so. Negotiations started in 1998 but stalled for a number of reasons and it was not until 2011 that a draft convention was, in fact, brought into being. The convention is in very standard form. The Articles describe the terms used in the convention, the legislation covered by it and its scope and the convention itself is appended to the draft Act that Members have before them. The purpose is obviously to extend this agreement between the United Kingdom and Chile to Jersey, which will have advantages for a small number of people. I move the proposition.

The Deputy Bailiff:

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition? If no Member wishes to speak on the proposition could I ask those Members who are in favour of adopting the proposition, kindly to show?

Deputy G.P. Southern:

Appel, please, Sir.

The Deputy Bailiff:

The appel is called for. I invite Member to return to the seats and I will ask the Greffier to open the voting.

POUR: 33		CONTRE: 0		ABSTAIN: 0
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator I.J. Gorst				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Senator Z.A. Cameron				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy J.A. Hilton (H)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy M.R. Higgins (H)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy R.J. Rondel (H)				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

11. Bus Fares 2015 Review (P.35/2015)**The Deputy Bailiff:**

Then next item is the Bus Fares 2015 Review, P.35 of 2015, lodged by Deputy Southern and I ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to request the Minister for Transport and Technical Services to (a) review his policy on fare pricing for 2015; (b) renegotiate the terms of the agreement between the Minister and CT Plus Jersey; and (c) bring to the States for agreement a revised policy which conforms to the States' anti-inflation policy.

11.1 Deputy G.P. Southern:

It feels like once more into the breach, dear friends, although I am not completely surrounded by friends at the moment. **[Members: Oh!]** No, I keep telling you, I do not want your sympathy, just your votes. It is the numbers that count. So where to start indeed. Here is another opportunity to put some control on price rises in Jersey. It appears to me that what has been done to bus fares (a) goes way beyond the inflation limits set by our own anti-inflation policy which is 2.5 per cent, to limit rises that we have control of, and we do have control of them, to 2.5 per cent and (b) to establish the position of the Minister apropos the company which he has engaged to deliver the bus service, that in fact the Minister has a veto, as he has told us, over price structures and price rises that he does not support. It appears to me that the prices proposed are way beyond inflation and totally unreasonable. It seems to me that if you want to have a sustainable transport policy and you want to encourage people out of their cars and, for example, on to buses or cycling or walking then the last thing you do is bump up your bus prices by 17 per cent. If Members will turn to page 3 of my report you can see that indeed for 56 per cent of bus users, those that prefer to rely on cash when they take a bus ride - which is the majority - those rises Band A 15 per cent, Band B 11 per cent, children's fares 25 per cent. A 20p rise across the board. Now, it seems to me ... and that averages out - and I have checked with the Stats Department and they are happy with this as an average - at around 17 per cent. So a 17 per cent hike in bus fares for those people who pay by cash. We are told that that is all right because it is compensated by price reductions on the Avanchi card and we are told we want to promote the Avanchi card because it is more convenient for the bus company and it requires less people in charge of handling cash. We are told also that it helps with boarding and maintaining schedules, timetables, on the buses themselves. But if we look at those tables we will see that (a) the use of the Avanchi card is in the minority, certainly for the Avanchi unlimited cards, the weekly, monthly and annually, there are very small numbers of usual there and when we look at Table C a small percentage of change, some prices going up, some prices coming down. So there is no balance there, although the Minister has said: "Well, that is balanced by changes to the Avanchi card" that does not wipe out the rise that is proposed in cash paying passengers. On page 4 of my report I just point out to illustrate what that means. That means you have got something like 4 million passengers, which the bus company is to be congratulated on. We have raised the usage to 4 million, why we should then choose to raise the price, why would we do that? Because we can. But let us have a look at what that means. Four million passengers times 20p, times 56 per cent, those are the people who are paying by cash and are paying that rise, equals £450,000 additional income. That is the 20p, the 20p extra this year compared to last year. That is the best part of £500,000. If Members will turn to page 5 they can see where that extra revenue is going. Let us take a look. On page 5, the contract has been awarded for a 7-year period at just under £3.5 million per annum, however there has been a major change due to the contract terms and the income from fares will go directly to the operator. So we have just handed over £450,000 to the operator, this year or next year £450,000 extra in your pocket. "This will give CT Plus Jersey the incentive to grow the service." They are mandated to grow the service. You do not grow a service by raising the cost. So it will give CT Plus the incentive to grow the service and make it more efficient. You tell me. "The States will receive 50 per cent of any operating profit which is in excess of 3 per cent of turnover for reinvestment in sustainable transport initiatives." So sustainable transport is our policy, this wants to increase it. Sustainable transport is to encourage people on to the bus by raising the price. That cannot be logical and yet this Minister is defending it. Then we were told the States will receive - listen to it carefully if you would, Members - 50 per cent of any operating profit which is in excess of 3 per cent of turnover. Wow, so we give them £450,000 and £3.5 million a year and then we say: "We will take a little slice off anything you make over 3 per cent in order that we can reinvest in sustainable transport schemes." That does not look like a good deal to me at all. Now, we have got quite extensive comments on my proposition and to help me deal with them I consulted one Mr. de Faye who used to stand about ... or used to sit

at that seat there and run T.T.S. for several years. So he knows somewhat the ins and outs of the bus contracts and the bus companies are like. So I will use some quotes from Mr. de Faye, the ex-Minister, to support my argument that we are being fed here is not a true picture of what is going on. I cannot possibly do it with his unenviable style if only because I just had a very nice lunch but it was alcohol-free, therefore I am probably rather less overt than he might be.

The Deputy Bailiff:

Deputy, I think you might wish to withdraw that observation.

Deputy G.P. Southern:

I will withdraw it and share a laugh with Mr. de Faye when I meet him. But consider it withdrawn. Right, and he says, and I quote: "LibertyBus figures indicate that 56 per cent of bus travellers use cash, which is clearly a level of reliance."

[14:30]

"The proposition neglects," says the Minister, "manpower implications and maintains that the cost of this renegotiation of the 2013 bus operators' contract should not exceed the Deputy's estimate of 400,000 plus worth of foregone revenue." The ex-Minister says: "Renegotiation of the contract can easily be handled by the department or indeed by the Minister himself. As all of these parties are annually salaried public servants, there can be no manpower implications." It then goes on to the increase in the number of bus passengers and he says, I quote: "It is a stunningly simple exercise to procure remarkable total passenger growth, you just buy more buses. I do not have the figures to hand but I would venture to suggest that LibertyBus has added rolling stock since the contract began and significantly increased its passenger carrying capacity." Now, I know that that is the case. They have recently just bought an extra, I believe, 5 double-deckers to use on the high intensity routes out to the airport and to number 1. Thus the Minister for T.T.S. is not comparing like with like and it says here: "I will bet he does not know the rolling stock numbers or passenger capacity figures either". Additionally, LibertyBus took the easy and obvious option of increasing the frequency of buses at peak times and on the most heavily used route. Thus the numbers will almost inevitably have gone up. He then goes on: "It is completely illogical to suggest that the Minister does not set public bus service fare structure when he has previously advised the Assembly that he retains a veto on any new set of fares presented by LibertyBus. If, at any time, the Minister is not satisfied with the fare structure proposals, he is in a position to turn them down and then negotiate with the bus company on the aspects that do not receive his approval. To suggest otherwise is to renege on the Minister's responsibilities to the bus travelling public, a situation which the Minister has already contrived." Now he talks about this argument that the use of the Avanchi card eases the boarding and disembarkation from the bus. I know that the ex-Minister remains a staunch bus user and a staunch cash bus user. He knows, because he travels almost daily I believe on the bus, what goes on. He says here: "Does the Minister know by how much boarding times are reduced by the use of smart guard ticketing? The answer is hardly at all because card or cash still requires the issuing of a ticket and the ticket machines operate so slowly that bus drivers are wholly able to take cash and offer change within the time taken to issue a printed ticket." Providing the Assembly with this observation simply indicates that neither the Minister nor his advisers within the transport section of T.T.S. have any serious experience of using the local bus service. So the economies thought about by the use of the Avanchi card are not all that they are made out to be. Then he deals with the ... here we go, here is the competition argument again. How many bus services have you got? I think by and large ... we have got some coach services which run around the Island for tourists but as far as I know we have only got one bus service, so it is a monopoly. So let us get on to the competition elements because we always seem to get stuck there. It says then: "In furtherance of the duty, the Minister shall perform his or

her functions under this part in a manner that is best calculated (a) to protect and further both the short and long-term interests of users of the omnibus services and to do so wherever the Minister considers it appropriate by promoting competition among the providers of these services.” Promoting competition among the providers, plural, of these services. This bit of the law is one of those that Senator Ozouf was pointing out earlier, it refers to historical time. It is when we used to have more than one bus company and they used to compete with each other up and down the routes and sometimes overtaking one and other to get there first. That is referring to competition. Competition we do not have, what we have got is a regulated service because we have got a monopoly and this is where the Minister must exercise his powers to control what is going on. He then - and it is his words - goes on to say of the Minister’s statement: “Thus the total cost to the States of Jersey would be £1.1 million per year or a minimum reduction of 25 per cent in services if they were to accept my proposition.” To which the ex-Minister says: “A complete fabrication with no supporting information to justify it in any way.” Certainly as part of this debate I want to hear the supporting information, the supporting argument that justifies this figure of we are going to lose £1.5 million in some way or other. I accept that we may lose revenue to the company of £400,000 by adopting my proposition. I notice the Minister is smiling so he is obviously looking forward to enlightening me on this particular issue. So we have a long accepted anti-inflation strategy which says we should endeavour to keep price rises below 2.5 per cent. This blatantly is not happening here. We have a sustainable transport policy to encourage people to walk, cycle and get the bus wherever possible and get out of their cars and this will not be promoted by a 17 per cent price rise. We also had a statement that says I am taking previous use, the 56 per cent and 44 per cent, and assuming that it goes on for ever. I am not at all. I am saying this is the snapshot that the bus company has told us is the usage, 4 million passengers, cash payers 56 per cent, 20p rise for them. I am not assuming that that goes on for ever. I assume that taking the price down for the Avanchi card may get some more uptake. There is absolutely no reason why bringing the price down and promoting use of the Avanchi card should go hand in hand with: “Ah yes, but we are whacking-up the price for cash payers by 17 per cent.” That is just not appropriate. It is a singular, I would say, derogation of duty because we should be controlling prices. So there we have it, a policy which says we are encouraging people to use buses by putting up the prices by 17 per cent. Well, I do not think that is a very good policy myself. I hope that Members of the House can see through that and I suggest that if we are to have a sustainable transport policy, we do not operate massive rises for bus users and we moderate this - and that is what my proposals say - review the policy for fair pricing, renegotiate the terms of the agreements between the Minister and CT Plus Jersey, which is perfectly possible, and bring to the States for agreement a revised policy which conforms to the States’ anti-inflation policy. Now I look forward to hearing what the Minister has to say in particular, but also to receiving the opinions of Members on what they think of a 17 per cent rise in bus fares.

The Deputy Bailiff:

Do you move the proposition then, Deputy? Is the proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? Deputy Noel.

11.1.1 Deputy E.J. Noel:

I think I should start by giving Members some background facts about this contract which Deputy Southern would have me tamper with. In just over 2 years since the start of the contract passenger numbers have grown by some 18.2 per cent, the number of bus services provided has grown by approximately 36 per cent. That is £1.4 million worth of additional services over the previous contract with no additional cost or risk to the public purse. That is a significant betterment over previous times. 18.2 per cent growth shows that the public appreciate and value the current service. So if we let the figures speak for themselves, it is fair to say that this overall is a successful contract

to date and I am confident to predict that will continue to do so. To coin a well known phrase, a phrase which I have heard Deputy Southern use once or twice: "If it ain't broke, don't fix it." In fact, Deputy Southern's proposition would undoubtedly achieve a most incredible double-whammy, first causing reductions in bus services and at the same time increasing the cost to the States. What an own goal that would be. Why would Deputy Southern want us to do that? Does he not get the message that the States need to make savings? In effect he is asking T.T.S. to make, by his calculation, an additional £400,000 worth of savings to finance his proposition. I am advised by officers that taking into account the transfer of risk, it is in fact something like £1.1 million which would be required, and it is quite a lengthy calculation but I am happy to share it with members afterwards. Believe me, it is not going to be easy for T.T.S. to make the savings that we already have to make. Deputy Southern referred to former Deputy de Faye in name which is regretful. During Deputy de Faye's time as a former Minister for T.T.S. the Comptroller and Auditor General reviewed the previous 2003 bus contract and found operational improvements had stagnated between 2003 and 2012. The C. and A.G. (Comptroller and Auditor General) concluded that this was because there was not enough risk or benefit in the contract for the operator to justify investing and improving its performance. As a result, there had been little incentive for improvement. This has now been addressed with a move to LibertyBus and the new contract. Fundamentally what the Deputy is proposing is a return to the revenue risk principles of the previous contract. The type of contract the C. and A. G. thought held us back and did us no favours, and indeed led to years of stagnation because the previous bus company did not retain the revenue and, as such, there was little incentive for the operator to bring about change. Basically, it could be argued that the operator was paid by the States to provide buses whether or not there were any passengers on board. So from an operator's perspective it was best for the buses to run around empty as it would keep them cleaner and would reduce their fuel costs. Now, obviously this does not happen but this lesson has been taken on board in the new 2013 bus operators' contract. It was recognised that T.T.S. needed to shift the risk profile and provide the real incentives that would allow a bus operator the freedom to apply their commercial acumen to grow patronage at no burden to the public purse. This approach has been successful. It has provided growth in passengers, it has provided a 7 day a week service Island wide, it has provided a winter service which is the equivalent of the old pre-LibertyBus summer service, all at no additional cost to the public purse. In fact it has provided a saving. Members should be aware that there are many more improvements planned, such as the recently launched ParishLink scheme, additional double-decker buses which Deputy Southern mentioned. Five new buses coming on line this summer in time for the summer timetable. Hopefully in the not too distant future a volunteer driver based scheme for the urban parishes based on the village scheme, the ParishLink scheme. If the demand was always there and commercially viable, you have to ask yourself: "Why is this happening now?" That is because now we have the right contract and the right operator. LibertyBus, a charitable social enterprise, has commercial risk and freedom, and it is incentivised to increase passenger numbers. So Deputy Southern wants me to review my policy on fair pricing for 2015. I simply cannot do that because I do not have one, it is LibertyBus' fare policy and together with that they carry the risk, but they also have the experience to make it work, not the Minister. I do effectively have the power of veto. But overall what they have proposed to me makes sense. I did, in fact, ask them to water-down their original proposals and bring them in at a less aggressive rate.

[14:45]

Taking cash fares does slow down the buses and in turn causes some unreliability in the service. Prepaid smart card ticketing reduces boarding times and improves the punctuality which help the operators keep to its timetable, which is what the passengers want. Smart cards are a good thing, however some people are slower to make the change than others and need incentives, such as lower prices when compared to paying cash to encourage them. This has happened elsewhere in the

world and particularly in London with the Oyster card and now cash is no longer used on London buses. The revised fare structure is not intended to be inflationary overall. Indeed, LibertyBus estimated that the price reductions offered on prepaid travel products will offset the increases to the on bus cash fares and the fare structure overall will be neutral. For example, the card costs of the most popular fares have been reduced down to 2010 levels. Now, Deputy Southern says that prices are going up but I disagree, consumers have a choice, Band A in 2014 was £1.30, using a prepaid smart card it is still £1.30, Band B in 2014 was £1.80, again using the smart card that can be reduced down to £1.60, 20p less, and back to 2010 levels. Child fares in 2014 were 80p, they are now 5p less at 75p when using a smart card. Thank you, Chief Minister. **[Laughter]** The Deputy's report states that the majority of users rely on cash and he assumes this proportion will remain constant. If this was true, which it is not, it would be bucking a worldwide trend. Our world is changing and is moving away from reliance on cash. This is why I argued with Deputy Southern's calculations and I argued in this Chamber a few weeks ago that they were meaningless when I answered his questions on bus fares. The truth is that the figures for this year show that cash fares are now in the minority. Since the beginning of the year there has already been a 10 per cent switch from cash fares, which were at levels of some 56 per cent, they are now down to 46 per cent and continue to fall. **[Approbation]** So that percentage is falling, a trend which LibertyBus expects to continue. But going back to Deputy Southern's proposition, he wants me to do 3 things. As I have already mentioned and explained why, it is not my fare policy therefore I cannot review it. Neither, by that token, can I review it and bring it back to the States. Lastly, to renegotiate the fundamental terms of a long-term contract when we were only 2 years into it just does not make sense, both in commercial terms or in common sense terms, especially when there is clear evidence that the new contract is working. Would the States really want me to renegotiate a contract that had achieved 18.2 per cent growth in passenger numbers in just over 2 years and without the extra investment has yielded £1.4 million worth of extra services so far. I really do not think so, or I would hope not. I want a bus service that the Island can be proud of. One that grows and adapts as Islanders' needs change. I think over the past 2 years we have achieved that and so, therefore, I ask Members to humbly reject Deputy Southern's proposition. **[Approbation]**

The Deputy Bailiff:

Does any other Member wish to speak on the proposition? If no other Member wishes to speak I call on Deputy Southern to respond.

11.1.2 Deputy G.P. Southern:

Oh, one of those. One of those, seen them before, yes, just cut it short, let us go home. Cup of tea time. Okay, right. Deputy Noel's policy, which he says he has already negotiated on and been tough on, even though he has not got a veto and he cannot do anything about it, however he is mindful that some users will need time to adjust. In this instance, by agreement, the Minister prevailed upon LibertyBus to adopt a more incremental approach to increasing cash fares and discounting card fares than was originally proposed. Well, as far as I am concerned, it that was the result of his negotiations, he failed because a 17 per cent rise for cash payers, whether or not they are in the majority and just above or just below 50 per cent of passengers is neither here nor there. Okay, perhaps already it is not £450,000 we are giving to the bus company, it is only £400,000 we are giving to the bus company. But what we are doing, for those people who use cash, and many do still, is putting up the price of the bus by 17 per cent on average. To suggest that the company has said that overall it is price neutral is absolutely absurd. "The revised fare structure is not intended to be inflationary." Well, of course it is inflationary. "Indeed LibertyBus estimated that price reductions offered on prepaid travel products would offset the increases on on bus cash fares and the fare structure would be revenue neutral," says the company that wants to receive an extra £400,000 in revenue by banging-up the price of cash fares. Oh, but it is cash neutral. We have

seen not one figure to suggest that it is cash neutral whatsoever. When the Minister talks about travelling by Avanchi card and refers, for example, to child fares, we can see that, in fact, the child fare from 2014 to 2015 has gone up from 70p to 75p, that is a 5p rise or 10 per cent rise, and only in Band B for the Avanchi card traveller has there been a reduction of 10p. So a 5 per cent reduction in the cost there. Band A travellers on the Avanchi card also see an increase again of 8 per cent. Now, you cannot have it both ways. Either it gives the figures and those figures are there, which say cash payers, all, up by 20p, there is £400,000, Avanchi card payers, 2 groups up, price rise, one group price down and only on the Avanchi unlimited which take up is very low is there significant price drops. So to suggest that that is balanced and overall neutral is, I believe ... I cannot say misleading, can I? No, never can. Is mistaken, seriously mistaken. Then to suggest that this Minister cannot properly negotiate with the bus company, cannot bring a proposition to the States, cannot return to the negotiating table and negotiate a better structure, I am afraid that that just shows that this government is pusillanimous quite frankly because we have given up the control over the fares to the bus company, the Minister does not want to go back and renegotiate and cannot bring up some fresh proposals to this House. At which point I shall maintain the proposition and call for the appel.

The Deputy Bailiff:

The appel has been called for. Members are invited to return to their seats and I ask the Greffier to open the voting.

POUR: 7	CONTRE: 31	ABSTAIN:
Senator Z.A. Cameron	Senator P.F. Routier	
Connétable of St. Saviour	Senator A.J.H. Maclean	
Deputy G.P. Southern (H)	Senator I.J. Gorst	
Deputy M. Tadier (B)	Senator L.J. Farnham	
Deputy M.R. Higgins (H)	Senator P.M. Bailhache	
Deputy S.Y. Mézec (H)	Senator A.K.F. Green	
Deputy T.A. McDonald (S)	Connétable of St. Clement	
	Connétable of St. Peter	
	Connétable of St. Lawrence	
	Connétable of St. Mary	
	Connétable of St. Ouen	
	Connétable of St. Brelade	
	Connétable of St. John	
	Connétable of Trinity	
	Deputy J.A. Martin (H)	
	Deputy J.A. Hilton (H)	
	Deputy of Trinity	
	Deputy E.J. Noel (L)	
	Deputy of St. John	
	Deputy S.J. Pinel (C)	
	Deputy of St. Martin	
	Deputy R.G. Bryans (H)	
	Deputy of St. Peter	
	Deputy R.J. Rondel (H)	
	Deputy A.D. Lewis (H)	
	Deputy of St. Ouen	
	Deputy R. Labey (H)	
	Deputy S.M. Bree (C)	
	Deputy M.J. Norton (B)	
	Deputy of St. Mary	

12. Draft Restriction on Smoking (Motor Vehicles) (Jersey) Regulations 201- (P.36/2015) - deferred to 2nd June 2015

The Deputy Bailiff:

The next item of public business is the Draft Restriction on Smoking (Motor Vehicles) (Jersey) Regulations. Now, this item, Minister, has not yet been lodged for a sufficiently long period, so how do you wish to ...

Senator A.K.F. Green:

I believe Standing Orders require that if I was to ask the Assembly to reduce the lodging period it needs to be of an urgent matter.

The Deputy Bailiff:

It needs to be in the public interest to do so.

Senator A.K.F. Green:

Well, it is not urgent. I am sure it is in the public interest. I am in the hands of the Assembly whether they would like to take it or not, but I cannot argue that it is essential.

The Deputy Bailiff:

Well, do you ask the Assembly to take it or do you wish to defer it ...

Senator A.K.F. Green:

Okay, let us ask the Assembly if they would like to take it and test the water but on the understanding that it could go to the top of the paper next time otherwise.

The Deputy Bailiff:

I will take an informal indication from the Assembly. **[Seconded]**

Connétable J. Gallichan of St. Mary:

Can we have the appel? I think we should.

The Deputy Bailiff:

Then we will have the appel. The appel is called for.

Deputy M. Tadier:

Would it be possible to have the Standing Order read out so we can refresh our memories as to the exact wording?

The Deputy Bailiff:

Yes, it is Order 26(7) as I recall. Order 26 deals with the minimum lodging periods and subparagraph 7 says: "The States may reduce the minimum lodging period for a proposition if they are of the opinion that it is in the public interest to do so."

The Connétable of St. Clement:

Is this matter open for debate, whether we take the item?

The Deputy Bailiff:

Yes.

The Connétable of St. Clement:

I would suggest that perhaps it would be better if the States did not take it. It might be more convenient for the States to take this matter today but convenience for us is not necessarily the same as the public interest. These are Regulations which, if adopted, will come into effect on 1st September 2015. We have about 4 or 5 or 6 or 7 States sittings at which these Regulations could be debated and still come into effect on 1st September 2015. As I say, if we take it today it would be convenient for us but it is certainly not in the best interests of the Island.

The Deputy Bailiff:

Does any other Member wish to speak on taking this? In which case the appel ... Deputy Southern.

Deputy G.P. Southern:

Can I just briefly add my weight, such that it is, to that of Deputy Norman of St. Clement, in that I believe ... Constable. Our esteemed Liberation Day speaker [Laughter], my little weight to his weight to suggest that since we have watered-down that particular condition we have increasingly, I think, almost routinely, taken propositions without required lodging time and that is something I think we should, if we possibly can - although probably I will be bringing one sooner or later and if you turn it down you turn it down - try and obey our House rules.

Connétable J.M. Refault of St. Peter:

I am the rapporteur for this particular item and I do believe this would potentially be an abuse of the Standing Order. It is not important, it is not urgent as quite rightly the Constable of St. Clement has said. I am more than happy to defer it to the next sitting.

Senator A.K.F. Green:

I get the feeling of the Assembly, can I withdraw my proposition?

The Deputy Bailiff:

Yes, the proposition has not been read, you are entirely at liberty to withdraw it and move it to the next Assembly.

13. Commissioners of Appeal for Taxes Office: Reappointment (P.37/2015)

The Deputy Bailiff:

With that interlude over with, the final item of public business is the Commissioners of Appeal for Taxes Office: Reappointment and I ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion in accordance with Article 10 of the Income Tax (Jersey) Law 1961, as amended, to approve the appointment as a Commissioner of Appeal for the Taxes Office, each for a period of 3 years with effect from the end of their current appointment, of Mr. Craig Leach, Mr. John Mills, C.B.E. (Commander of the Most Excellent Order of the British Empire), Mr. Michael Lanyon.

13.1 Senator A.J.H. Maclean (The Minister for Treasury and Resources):

Thank you. I am seeking Members approval for the reappointment of 3 individuals as Commissioner of Appeal for Taxes Office. The detailed background, knowledge and experience of these individuals are outlined in the attached report to this proposition. The Commissioners of Appeal are appointed by virtue of Article 10 of the Income Tax (Jersey) Law 1961 and are an

independent and impartial body that exist as the first point of appeal for taxpayers both individuals and businesses who are in dispute over decisions and rulings made by the Comptroller of Taxes.

[15:00]

I am seeking the reappointment of these individuals for a 3 year term, that is Mr. Mills and Mr. Lanyon whose current term of office expires in June of this year, 2015 and Mr. Leach's term of office which expires, in fact, in October of this year, 2015. These Commissioners have made an invaluable contribution during their previous term of office, hearing appeals from taxpayers and making decisions based on sound judgment and an in-depth understanding of the Income Tax Law. They possess integrity, common sense and patience which are essential qualities for this role. I ask Members to support these reappointments. Thank you.

The Deputy Bailiff:

Is the proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? If no Member wishes to speak on the proposition, could I ask those Members who are in favour of adopting it kindly to show? Those against? The proposition is adopted. That concludes public business for this meeting and I invite the Chairman of P.P.C. (Privileges and Procedures Committee) to go over the arrangements for future business.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

14. The Connétable of St. Clement:

The arrangements for public business I propose would be as the supplementary Order Paper with the addition of P.36, the Draft Restriction of Smoking Regulations which will be taken on 2nd June and I would suggest that be taken as the first item business on that day. So I propose that *per* the Order Paper with that addition and I would suggest that on 2nd June we will probably need to sit for one day.

The Deputy Bailiff:

Does any Member have any further comments or observations? Do Members agree to take the public business of the next sitting as set out in the Consolidated Order Paper with the addition of P.36 as set by the Chairman of the Privileges and Procedures Committee? That is the end of business for this Assembly, the States accordingly stands adjourned until 2nd June.

ADJOURNMENT

[15:02]