

STATES OF JERSEY

OFFICIAL REPORT

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

PUBLIC BUSINESS – resumption

1. Nursery Funding: implementation of proposed changes (P.39/2016) - as amended

The Bailiff:

We come now to P.39 Nursery Funding: implementation of proposed changes. Deputy Tadier, before I ask the Greffier to read the proposition, should he read it as amended or in its original form?

Deputy M. Tadier of St. Brelade:

As amended please.

The Bailiff:

Amended, very well. Then, Greffier, please read the amended proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to request the Minister for Education not to implement proposed changes to nursery funding, to cut the provision of free nursery hours to those earning a combined income of over £75,000 a year.

1.1 Deputy M. Tadier:

First of all, I would like to thank the Education Scrutiny Panel for their patience. We have tried to liaise as best as we can. It has not always been easy and I know that they have been caught in a hard place between scrutinising the Minister's proposals on one hand and, of course, having to deal with these last minute changes just as their report was being published. I found myself in a similar position, of course, as things progressed with the best way to seek to tackle this in a parliamentary acceptable way. We find ourselves today where the threshold has been moved so my amendment talked about a £75,000 figure but what I would like this debate to be about really is the principles of means testing. We know that the Minister can propose different thresholds at any time and that is the difficulty of having an in principle debate and many would argue possibly that is why we should wait for it to be included in the Medium Term Financial Plan so we can know exactly what it is we are dealing with and how to amend that. I would counter that argument by saying that there are 2 differences here. One of the key differences is that much of what is going to appear in the Medium Term Financial Plan, as we found out yesterday, is still unknown. It seems certainly unknown to Back-Benchers and to many States Members, although we have sneaking suspicions where the direction of travel is going to go. It also seems to be unknown to Ministers in many cases who have not yet decided to flip that coin because that meeting is probably going to be on 29th June before they decide what goes in and what goes out if we are to interpret how cagey they have been in this Assembly, even though we find ourselves some 2 or 3 weeks before the lodging of that Medium Term Financial Plan. The other point is, I think, that the Minister has come out well in advance of the Medium Term Financial Plan to say that he wants to bring fundamental changes to nursery education, to move it from a universal system, which is currently funded by taxation and is available to everybody, to make it a means-tested system whereby some currently receiving that established benefit, which the States decided on some years ago for their own good reasons, he wants to change that and, of course, quite rightly it is necessary to bring these kind of proposals well in advance of that so proper consultation, at least awareness, can be given to those who the changes might affect, either the parents or the childcare provider. So I think we understand why this is different to perhaps some other technical line that would appear in the Medium Term Financial Plan and that is why I, my party and also others in this Assembly, believe that the

principle that is at stake here is worthy of a debate in its own right. So in lodging this, being fully aware that there was a Scrutiny process that was going on, being fully aware that there were proposals potentially to go into the M.T.F.P. (Medium Term Financial Plan) it was necessary to lodge this so we could have a proper debate on the principle of nursery funding; where it should come from, on the principle of means testing, and if we are going to move away from that principle it should be a proper debate in its own right. So I think that is what the debate is today. I would say to Members that if they are not happy with the Minister's proposals, if they are not happy either with the proposals of means testing full stop, or if they do not think that these proposals are right, that they have been properly tested or they think that there will be unintended consequences for both the children, the families and the childcare providers involved that will be ultimately negative. If they have concerns that the plans are not ultimately sustainable; sustainability is something that the Chief Minister talked about yesterday. If they have concerns that in the future the Minister might come back and move the goalposts again and say: "Okay, we need to make some more savings in 2 or 3 years' time so we are going to move that down to £75,000 or wherever", then I think this is the time to press the pour button this morning or this afternoon and to make those arguments. I am hoping that the Council of Ministers do not come out in support of this proposition and that is why I have moved the amendment because I think this should be the debate to decide whether or not the proposals that the Minister is putting forward go in the M.T.F.P. and it is also important to have this debate now to give the Minister sufficient time to decide if the Assembly does choose to reject these proposals. It will give him a clear message to say: "Look, we do not want these put in the Medium Term Financial Plan. It is necessary for you to go away and make more acceptable savings or find other income which is more acceptable to this Assembly." So I hope that gives some of the context about why we are having this debate today. Some members of the public have contacted me and my party colleagues saying they find it strange that Reform Jersey should be sticking up for the rich and that these individuals who earn £75,000 or more, or now £85,000, being scaled up to £100,000, that they find it strange that we should be sticking up for them and that these people can well afford it. I think what that highlights, and some of these people, I am not saying they are representative of our supporters, some people have contacted us and it shows how divisive these proposals really are. They are not just divisive because they purport to set the rich, or the slightly rich, against the slightly poorer, against those workers who might be earning, combined, something in the region of £85,000 to £90,000. Remember this is household income that we are talking about. This could be a couple, potentially a nurse, a teacher, they could have a third income in the household. They could have a young person who is working out there as well and we know how families work nowadays. They could be composite families where they have some very young children, some secondary aged children and those who are preparing to go to university. It is not inconceivable. We also know that one size does not fit all and that is the problem with means testing I think because it does not take into account disposable income. It does not take into account whether people have just taken on a mortgage and are having to meet those costs. It does not take into account whether people and families are renting their properties. It does not take into account whether they may have other financial obligations, a young child at one end, a child just starting university with the possibility of facing grants either frozen or reduced going forward in the Medium Term Financial Plan.

[9:45]

So I think the argument for universal benefits or universal childcare in this sense does bring stability and that is something certainly that the Scrutiny Panel has highlighted in their report. One example that the Scrutiny Panel talked about in chapter 6 was really about children. To come back to those who might find this proposition strange it is because ultimately Reform Jersey is not against the rich and wanting to support the poor. Reform Jersey wants a fair system and we want to

make sure, like I think everything in this Assembly, and also like the Panel themselves have highlighted, that we have put the children's welfare at the centre of our policymaking and I think what is quite clear is that these proposals from the Minister, no doubt done in difficult circumstances, and one gets the impression sometimes ... I do not want to speak overly personally but that the Minister's heart is not necessarily in this. He, no doubt, finds himself in a difficult position, which is partly of his own choice; that he is surrounded by a Council of Ministers which has decided that they must cut their cloth accordingly. We know that the familiar preamble about investing in education and health is out there but we also know that we have a Strategic Plan which is signed up to the 1001 Days plan for looking after youngsters, I think across the board. It does not say we will only look after youngsters if they come from relatively low income households. It says that we will look after children across the board and that is why it is strange that the Minister is being asked to cut his budget in this area because we were all told that we want to invest in education, we want to invest in health, but what has become quite apparent is that there is no extra investment in education. It is all smoke and mirrors. It is all accounting illusion which is what the Scrutiny Panel, in their robust questioning of the Minister, both in terms of this report and more generally, have found out. There is no extra money going into education especially when you take into account inflation. It is all just bluster and that is what the public needs to know. So it is a divisive proposition. It is divisive socially, I think, as well as economically. What the Panel said in 6.5 under the heading of "children", they said: "There are concerns of continuity." An example was provided within a submission to the Panel where a child who may currently be in a private nursery in St. Mary, they give the example, of when they are 2 years old, the next year, when the child turns 3, the family could now only obtain 3 hours in a States nursery. Therefore, as there is no States nursery in St. Mary that child can only obtain a free allocation of 20 hours in a school in another Parish. The child then has to return to the original Parish to start reception in the year they turn 4. "The lack of continuity cannot be in the interests of the child." It goes on to say: "The child's attachment to the caregivers in the public nursery would be broken and this policy would be in conflict with the attached principles of the young children and carers contained within the 1001 Days manifesto." So I think very clear strong words and I think it is important to go back to the reason why these proposals were brought in in the first place. I cannot find it offhand but I think there was a nice quote in the Scrutiny report which said that these kind of benefits are not just for Christmas, something to that effect, and it should not just be down to political whim to introduce a universal benefit one day which is not just well-intentioned but for good reasons, as we will see, and then to withdraw it later on with all the added instability that goes with that. I will give way to the chairman because she may **[Interruption]** ... page 37, thank you ... point me in the right direction. Tax cuts: "Tax cuts should be for life not just for Christmas." I do not normally quote him but it is George Osborne who said that. I think there is a good point there. I think he has originally taken the phrase about dogs and used it for a fiscal purpose though which is quite clever of him. But the point is: why was this introduced in the first place? So if we look back in September 2008, before I was in the Assembly, the States approved the increased funding of nursery education. It meant that the additional funding was made available to pay for the nursery education of eligible children in registered day care centres in the private and voluntary sectors. It recognised that there was a problem with parity and that needed to be addressed, a problem with choice. He went on to say: "That as things stand to be eligible for the scheme." He explains the reasons that a child must become 4 years old, et cetera. He went on to say: "That at the time of its introduction the Education Department said that there would now be more choice and more places available and that through the partnership between the States of Jersey and the private and voluntary sector nurseries parents would now have a greater opportunity to select early years education providers that they feel best meets their child's needs and their own requirements." Those were the words of the Education Department of the day, not so long ago. Only 8 years ago. I think that was post collapse, was it not, September 2008? I think we already knew about the

economic crisis then as far as I can remember. So these arguments that we are in different economic times I do not think stack up. It was brought in there for a good reason. If we turn that on its head and say what the opposite of that is. So in withdrawing the universal benefit so that there is no longer that parity and the level playing field, if the department were to say that there would not be less choice, there would be fewer places available and that through the partnership, of course, which is being eroded, between the private and voluntary sectors, parents would now have less opportunity to select the early years education provider they feel best meets their child's needs for their requirements. Of course, the argument will come back: "Oh, well, these people can well afford it. They are super wealthy and we should not be funding their purse", if you like and I think that completely misunderstands what we are trying to do. We cannot have a policy, as I said, on the one hand which seeks to put the child's welfare at the centre of our policymaking and then on the other hand pick an arbitrary figure which it seems can change overnight at the Minister's whim from £75,000 to £85,000 because ultimately I do not think this is targeting the correct people. There is an underlying argument, of course, and people have their different feelings that we are tinkering with the system, but the Panel told us that we are looking roughly at a saving of £250,000. Now, that may be slightly conservative but that is the ballpark figure. That was with the original figure of a £75,000 threshold. Now, invariably when you move that threshold to £85,000, when you introduce a graduated system, the savings that the Minister will be able to make from that will necessarily be less. He has not told us what those savings are. I hoped he would present something to the States today. I have asked him for that but necessarily it will be a lesser saving than the one he originally wanted to make. Necessarily when you have a means-tested system there will also be an administrative cost which we do not know anything about. We do not know how much it is going to cost to administer the system to make a relatively small saving in the general scheme of the C.S.R. (Comprehensive Spending Review) programme. I think all these factors combined in the round give us sufficient reason today to reject these proposals. I will just go through the other concerns which I think are still valid which are supported by the general thrust of the Scrutiny Panel's report and I will explain what the concerns are. We are concerned that an arbitrary figure can be selected which seeks to define a household earning total gross income of a set amount, in this case £85,000, as being high earners with no thought being given to other family factors or outgoings; indeed what the net income of that family might be in real terms. We are concerned that insufficient consultation has been made with stakeholder groups, including parents and nursery providers, to justify the withdrawal of such a benefit. We know that the Scrutiny Panel have done a lot of that work themselves just simply by engaging through this process, but that was their work, it was not the Minister's work, which I think is sufficient for bringing this in in such short order. We also have concerns that many parents will have already planned financially for the medium term based on the presumption that they will have 20 hours of States-funded nursery care for 38 weeks a year and that the withdrawal of this provision will push some of the most marginal earners into making decisions that may adversely affect their children. We are strongly of the opinion that these proposals, as they currently stand, are in direct contradiction to the principles agreed in the 2015 and 2018 Strategic Plan, particularly in the 1001 Days Strategy. We believe that the move is driven purely as a cost-saving exercise and not because it is the right thing to do socially or for the children. Lastly, we are concerned that it may disproportionately affect working mothers who may feel particularly pressured to give up full or part-time work if the free provision is withdrawn. Notwithstanding all of those strong arguments it is really that last argument which jumps out of the page for me because intentionally, or otherwise, these proposals of the Minister are sexist. We know that in the Jersey context your typical family, and let us take a family where you may have the main breadwinner being the male. I know that is not universally the case but it is traditionally, and I think it is borne out by the statistics. You have a female who may have a young family already. They may have a child already but is looking to work or is currently working part-time. So you have £50,000, a £25,000, you have got another person in the household who is in work or,

let us just make it clearer; you have got someone who is earning £65,000 gross, the husband. The female has got a part-time job, the wife, the partner, has got a part-time job, earning some £20,000 and it becomes less viable to do that because the argument is, why do you not just stay at home and look after the child, reduce your hours at work? That will bring us under the threshold and that you find out that we have got women at the top end being driven back home, not necessarily voluntarily, to look after children and it has a divisive effect on an already unbalanced gender system in the workplace and socially. I think these are all the unintended consequences that are not easy to foresee although we can speculate what they may be. So what is the alternative? I think there are different alternatives depending on how we want to do it but I think ultimately we have to be honest with ourselves. First of all, the Council of Ministers cannot pursue a cuts agenda while at the same time having aspirations which require ultimately resourcing and spending. It is one thing to say: "Yes, of course, we support the 1001 Days proposals", even though that had to be brought by a Back-Bencher, the chairman of the Scrutiny Panel, as it turned out, put that as an amendment to the Strategic Plan. It was accepted, of course who is going to vote against the 1001 Day Project but when it comes to properly resourcing that and saying: "Well, in that case we need to really invest more in our childcare", the money is not there. The action and the finances are not matched by the rhetoric. Not only is the Council of Ministers not keeping the budget the same for nursery funding they are reducing the overall budget so that they can, as they would say, reprioritise it to those more in need, but there has to be a simpler way than doing that. Of course there are those who today will stand up and argue that we live in tough times, we must still tighten our belts, and that those who are earning that kind of money can quite well do without this benefit. If those Members want to stand up and make those kind of arguments that the rich should be paying more in our society then, by all means, come and talk to us at Reform Jersey and we will show you how to do it properly. You do not simply say: "If you are pretty rich on paper, have a good income, we want you to pay more by this stealth tax" which 12.3 talks about in the submissions. They said that this is a stealth tax, the people who made submissions. "It is a tax on young families. It is a tax by any other means." Of course it is. That is what happens when you get these kind of measures being brought in. We know there are lots of other stealth taxes being dreamt up at the moment by the Minister for Infrastructure and by the Minister for Health but they do not know yet what that is going to look like or how politically acceptable they will be. But this is one stealth tax that we know about already. They are saying: "We want to tax the slightly wealthier but we want to make sure that we only tax them if they have got young children."

[10:00]

Very bizarre. So you have got people out there in Jersey earning over £100,000 who would not qualify anyway, who do not pay anything additional on their social security contributions because that is capped already, who pay a flat rate of 20 per cent income tax, who have vast amounts of disposable income who are not being targeted and yet we are saying these people can afford it. I think that is where the difference is. There will be those who say: "Well, childcare is ultimately for the parents. If you want to have children, you have to look after them." I see it in a slightly more nuanced way. I do not personally have children myself at this point. Just for the record, I am not one of those people who would benefit from this anyway. My household income, with that of my partner, is not above either the threshold that the Minister is proposing or the original threshold just for the record but I have absolutely no problem in my income tax going towards childcare for this universal benefit because I think it is good for society. I think it is good for those children ultimately and I think it is much better. So I can walk into a bar and talk to a high earning lawyer and socialise with them or I can go inside a pub, The Horse & Hounds or the White Horse, whichever, and sit there with the low-earning family knowing that there is no division. We have social cohesion there because no matter what end of the pile you are at you get access to the same

basic 20 hours of free care, which remember is still lower than what is being proposed in the U.K. (United Kingdom) for the 30 hours of childcare over there. I think I am going to leave the initial argument there. I think I have covered the main points. I appreciate this is a contentious issue. I think it is one that is worthy of debate in this forum, as I have said, outside the context of the Medium Term Financial Plan. I do ask Members to really consider this and if they have concerns about what is being proposed, not simply just to follow the lead and to trust the Minister on this occasion but really to go back and look at those people, our predecessors in 2008, who brought these proposals, why they brought them, whether anything really has changed and what the consequences are both socially and economically for us if we go with these Ministers' proposals now.

The Bailiff:

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

Male Speaker:

Can we raise the *défaut* on the Constable of St. Saviour?

The Bailiff:

Proposed the *défaut* be raised on the Connétable of St. Saviour. The *défaut* is raised.

Deputy L.M.C. Doublet of St. Saviour:

Could I just ask for a point of clarification? I am not sure with the wording of the proposition what exactly we are voting on today because it seems to me that the request is for the Minister not to implement the proposed changes for those earning over £75,000 a year based upon the first policy presented by the Minister. It seems to me the Minister has, in fact, done that and has accepted the proposition. So could I have some guidance on whether ... is the proposition still valid in that case?

The Bailiff:

Deputy, if you will forgive me for saying so, I would prefer to hear from the Minister before I answer that question and then I think what we have heard from the Minister may set the meaning of the debate because I fully understand the purpose of the question.

1.1.1 Deputy R.G. Bryans of St. Helier:

I think from my taking of this that yesterday Deputy Doublet, and I do thank Deputy Doublet for raising this issue right at this point, said she was baffled as to why I was not accepting the proposition, the first one. The reason was because I was equally baffled. I found the whole sort of way it was put together it could be read so many different ways. I think what the Deputy is intending to do is to provoke a debate today here before we get to the Medium Term Financial Plan and, of course, that gives us some difficulty because what we would prefer to do, as a Government, is put the whole thing together and look at it as a whole package and I know that he has concerns about that. I am quite willing, at this point in time, to carry on the debate if that is what the Assembly wish but I have put out the proposals that I have and I think at this point in time I would like to explore the things behind what is being said or being asked. Do I carry on then? Okay. That is fine. Okay, sorry, thank you. Just to deal with some of the ...

Senator I.J. Gorst:

Sorry, Minister. It would be helpful to have a ruling on the question that Deputy Doublet raised because the Minister has changed his proposals from the ones that the mover of the proposition had on the table at the time.

The Bailiff:

Very well. The proposition, as it now reads, is: “The States are asked to decide whether they are of opinion to request the Minister for Education not to implement proposed changes to nursery funding to cut the provision of free nursery hours to those earning a combined income of over £75,000 a year.” As the Chairman of the Scrutiny Panel says, there is a difficulty with that proposition in the sense that the States are asked whether they wish to invite the Minister not to implement changes which it, in fact, is not proposing. So in that sense if that proposition were to be adopted the Minister can, nonetheless, go ahead with his new proposal without breaching the resolution of the States and so provide in the Medium Term Financial Plan figures. The issue clearly will not have gone away and will be a matter for debate at a different stage and really I cannot make the resolution mean what it does not say. The resolution says what it says. When it comes to voting on it Members will vote on it for whatever reason they want to vote on it but until such time as that happens it may be that speeches made by Members will be of political help to Ministers or indeed to the proposer. As to the effect of the proposition, it can only be what the language of the words say.

Deputy M. Tadier:

May I make a point of clarification? Obviously the first thing to say is that I could not amend this, so the timing of the Minister’s proposal, I did go to the Greffe and say: “Can I now change this to £85,000?” I was not allowed to do that. I had to give 2 days’ notice to do that even if I were to ask the States then to reduce the lodging period. But the point I would make, it may seem a technical point, but £85,000 is above £75,000 so the basic principle ... the Minister is still proposing to means test above £75,000. It is just that £85,000 and he is at perfect liberty to change this any time between now and the Medium Term Financial Plan or not do it at all. So I think this is an in principle debate which I am seeking to have here and I have no control over when or how the Minister might seek to change the goalposts before a debate comes to this Assembly but the principle remains the same. So I would hope we can still have a meaningful debate to give the Minister a clear steer on whether his proposals are acceptable or not.

The Bailiff:

Well, that matter has been fully ventilated and Members will either contribute to the debate or not, as they think fit. It is a political issue and Members will make such comment as they wish or use whatever procedural possibilities are available under Standing Orders. That is entirely a matter for Members.

Deputy L.M.C. Doublet:

Might I put something alternative to the Assembly? We discussed this as a Panel. I think given that it has been impossible to prepare for this debate, given the uncertainty, we have only just clarified what we are debating. Standing Order 83, I believe, allows for a reference back to the mover of the proposal for clarification. There is one sitting before the Medium Term Financial Plan will be lodged, which, I admit, is very close to the lodging of the M.T.F.P., but it would still allow us to have that separate in principle debate. I wonder if Members would consider referring the proposition back to the Deputy so that he can clarify his wording. That would also give Members another 2 weeks to look at the new proposition and I would very much hope that the Minister, in those 2 weeks, could provide some of his evidence and impact assessments that he has used to formulate the new proposals. So I wonder if the Assembly could consider this issue.

Male Speaker:

May I raise the défaut on Deputy Norton ... beg your pardon.

The Bailiff:

Proposed the défaut be raised on Deputy Norton. The défaut is raised. Deputy Doublet, Standing Order 83 enables a Member of the States to propose, without notice, that the proposition be referred back in order that further information relating to the proposition can be provided to the States or any ambiguity or inconsistency in information relating to the proposition already provided to the States be clarified. Given that the proposition, on one analysis, seems to be fairly clear what is it that you are asking the proposer to provide by way of further information or to clarify in the sense of ambiguity or inconsistency?

Deputy L.M.C. Doublet:

I think I would appreciate further clarification on exactly what we are voting on. I know that we have attempted to clarify it. Personally, I do not feel, to me, that is clear and also there is no time to prepare for the debate. I do not feel we can have an informed debate on something which we have only just decided what we are debating right at the beginning of the debate. So I do not feel it is as clear as I would like it to be.

The Bailiff:

Well, what is the clarification in particular you are asking for?

Deputy L.M.C. Doublet:

On exactly which proposals the Deputy ... perhaps the Deputy might clarify his proposition to say any proposals relating to cuts to nursery funding should not go ahead.

The Bailiff:

Well, I think he already has but just a minute.

Deputy A.D. Lewis of St. Helier:

May I add something briefly?

The Bailiff:

No, not at this stage, Deputy. No, thank you. I am just about to rule on whether this proposition can be put, Senator. Deputy, as I understand the thrust of your proposition, it is that Deputy Tadier's report is not addressing the current position and therefore needs to be clarified and you, therefore, wish to have it referred back in order that he can consider such amendments to his report or indeed to his proposition as would be appropriate so that in 2 weeks' time it will come back to this Assembly. That is the case, is it?

Deputy L.M.C. Doublet:

Yes, sir. I think the main benefit being as well that Members would have 2 extra weeks to consider the clarified proposal.

The Bailiff:

Very well. I allow the proposition. Do you wish to speak to it any further?

Deputy M. Tadier:

Before you do that can you just refer me to the Standing Order please, the number?

The Bailiff:

Standing Order 83. Do you wish to speak to it any further?

1.2 Nursery Funding: implementation of proposed changes (P.39/2016) - proposal of Deputy L.M.C. Doublet of St. Saviour for a reference back under Standing Order 83

1.2.1 Deputy L.M.C. Doublet:

I think I have covered everything. This was a Panel decision. We considered what would be best and we felt that if a Member of the Assembly felt so strongly that a separate in principle debate should be held that we should not attempt to override that. It has been difficult, as a Panel, to prepare for the debate. We do aim to help the Assembly in making these decisions. Several Members yesterday approached me asking, where should our thinking go on this? What is the evidence? I am afraid I could not help them because I only heard about the proposal as well maybe 2 days before the Assembly did. So I just think it would give the space and time for ... I am hoping the onus would be on the Minister and not the Panel to present the evidence behind the new ...

The Bailiff:

No, this is a reference back to Deputy Tadier.

Deputy L.M.C. Doublet:

Well, it is but I will say that I hope the Minister does provide some extra information as well as Deputy Tadier clarifying the proposition ...

Deputy M. Tadier:

May I speak? It is a point of order, Sir. It is a point of order. I do not think that the reference back is in order. Standing Order 83 says that a Member of the States may propose without notice for the reference back, (a) for further information relating to the proposition to be provided, and (b) for any ambiguity or inconsistency in information relating to the proposition, which has already been provided to the States to be clarified. I do not think there is any information that I can provide which is currently ambiguous or inconsistent or any information relating to the proposition because that is essentially the report.

[10:15]

I have been using the Scrutiny Panel's report also as additional information and the key point is that the amendment and proposition has already been moved and it is found to be in order.

The Bailiff:

Deputy, if it is a point of order then it is for me and not for you to address the Members on. I have ruled that the proposal to refer back to you is in order. I am going to invite you to address the Assembly as to whether or not it should be adopted and you can make all these points at a later stage. Deputy Doublet, have you finished proposing the reference back?

Deputy L.M.C. Doublet:

I think so. One further point to make is that I am trying to be helpful to the Assembly here. I am trying to ... so, perhaps, with that in mind Members could consider that. That is always my aim, to be helpful, and to give Members as much information as they can have when we are debating something relating to the work of my Panel.

The Bailiff:

Is the proposition seconded? **[Seconded]** Deputy Tadier, do you wish to speak?

Deputy M. Tadier:

Do I have to speak immediately or can I wait or reserve my right to speak?

The Bailiff:

You do not have to. I thought you wanted to but of course you can speak whenever you like. Does any Member wish to speak on the proposal to refer back?

1.2.2 Senator P.M. Bailhache:

I think that the Ministers on this side on this Assembly will probably support the reference back if the reference back proceeds but I must say that it seems to me that this is a rather futile way to proceed. I was very attracted to the explanation in Deputy Tadier's report to his second amendment; that the purpose of the amendment was to have a standalone and informed debate on the merits of a universal free system as opposed to a means-tested system. If we were to have a debate on that at this stage it seems to me that it would be a very helpful debate. But the ruling that you have made at an earlier stage, following the Minister's intervention, means that we do not get that outcome from the ultimate debate, whether or not the reference back proceeds, because the Minister will be entitled, whatever the outcome of the ultimate debate, to come back with the same figures that he has put forward already. So there seems to me to be a bit of futility in this and I really wonder whether the Deputy could not save us all a great deal of time by withdrawing his proposition so that the debate on the principle of a universal free system or a means-tested system can take place in the context of the M.T.F.P. debate.

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

I think what we have got here is a device to ensure that Ministers can do what they like. The response from my colleague, in his proposition, was to the announcement from the Minister for Education that it was his intention to take a certain act. What this does is, it opens the way for any Minister to change his mind at the last minute and say: "Oh, you have responded to what I first said but I have changed my mind now and it is something else." It is just a device to get round our procedures and to get round having an in principle debate at the earliest possible opportunity to give a steer to the Minister as to what might be acceptable later on. The proposer of the reference back gave it away herself, when she started to speak, and she said, not quite verbatim but: "The reference back is to the Minister, the Minister, to supply further information." Not the Member and that matches absolutely with recommendation 3 of her own Scrutiny Panel, which says: "The Minister for Education should withdraw this proposal completely until there has been consultation, full impact assessments and evidence of connectivity with other financial policies, such as tax thresholds within the States." If Members accept this reference back it places that request, which quite appropriately is for the Minister to justify what he said he intends to do, either at £85,000 or at £75,000, as was, and not to load that on the Back-Bencher to say, supply what the Minister for Education has not done. Now, if Members cannot see that that is the device for the Minister avoiding responsibility for having a coherent policy then I do not know what is.

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

I would just like to say I do understand where Deputy Doublet is coming from and trying to be helpful, I fully understand that. I think there are a couple of points to be made, (1) it is obviously not the proposer's fault of where we are because it is as a result of an email or press release, whatever it was, that was released on Monday evening. The problem I have with the idea of shifting it to 28th June is the Medium Term Financial Plan will be printed on the 24th. So for me the decision is either you proceed today or you do not do it. For me, that is the practical thing because on 24th June the M.T.F.P. is printed. There will be no point in having a debate on 28th June no matter how helpful it is. If the debate goes into the M.T.F.P. my take at this stage of that is the whole M.T.F.P. debate is likely to be quite long and I suspect rather a lot of issues coming up. That is my guess. This will just make it even longer and the Minister, at that point, will be locked into whatever position he is taken to. He will not be in a position to having a steer from this Assembly, who may or may not agree in principle with the issues he is putting into it. That is

where I am coming from in trying to be practical. It is not an ideal situation where we are. This is all because it is all coming through too close to the date. But for me, I agree with what Senator Bailhache said at the beginning of his speech, although it is not ideal, and whichever way people vote you could vote for the whole proposition and the Minister can ignore it, but it gives Members the opportunity to state where their concerns are and the Minister can then take those on board. For me that is quite crucial and, for me, today is the time to do that. However, if it goes to a reference back and it gets pushed off to somewhere else it is pointless having the debate.

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

I fully endorse the comments from Deputy Le Fondré. My concern here, and I totally respect your ruling, you have agreed that this is a reference back, and I listened to what Senator Bailhache said. My question is this today ... and there was a lot of stamping when Senator Bailhache said: "This will be a debate or decided in the M.T.F.P." As, Deputy Le Fondré said: "Think back to last year." It was bottom lines. This is a fundamental in principle, do you agree that we are going to give the Minister for Education the go ahead to means test the children. Now, this is what it is about. I would go the other way. I absolutely respect the work of Scrutiny, what they were doing but the proposer of the reference back is looking for more information from the Minister. The Minister is at fault. It is not for the Minister to help Deputy Tadier out in a proposition. His proposition is quite clear. He opened the speech saying: "It is in principle, you decide on the principle." Do not let something that is parliamentary and a procedure avoid this debate, because if you do not have this debate today we will not have it. It will not be on record who supported means testing the children of this Island. So I absolutely urge the mover of the reference back to withdraw it. It should be withdrawn and we should have this debate. It has been long awaited. The proposer waited and waited, and I fully understand why, for Scrutiny to finish their report out of respect, and that was great, the report was very timely and it is a great report. Then we are scuppered by something that came out as a press release from the Minister on Monday. We had the information on the table. Deputy Tadier cannot produce any more information if you reference this back for a year. It is not going to happen. So today is you either play the game or you have the debate and you nail your colours to the mast. Sorry, I really urge Deputy Doublet to withdraw this reference back.

Senator P.F.C. Ozouf:

May I ask a point of order? I just wish to clarify the order of events here because I am confused. We are on, today, 15th June. If the mover of the proposition, I am just trying to get the order right. The Council of Minister has to propose the M.T.F.P. on 30th June. Now, that means that the next States debate would be if the reference back is ... if you have ruled that there is a reference back, presumably that means that the proposer could come back in 2 weeks' time. So in 2 weeks' time will be the 28th, depending on how long we talk and I will try not to talk. But the point of order I want to make is: can it work that we have a debate on requesting a Minister to do something for a plan that is inevitably already at the printers being printed? Because it seems to me a complete and utter waste of time. I am asking for whether or not this is in any way practical, whether you rule that the whole practicality of whether or not this is chaos, because I think it is.

The Bailiff:

I do not call that a point of order, Senator. It is a debating point which Deputy Le Fondré has made already and it will be a matter for Members as to whether they accept that point or not.

Deputy M. Tadier:

May I raise a point of order? So before I speak I am not clear on what information I am supposed to bring back. The mover has made a reference back. Rather than waiting, for example, until later to use Standing Order 85 to move to the next item, to get me to provide further information relating

to this proposition to get more information, which she thinks is ambiguous and inconsistent. I do not know what that information is. So if this proposition is successful, what is it that I am supposed to bring back to the Assembly?

The Bailiff:

Well, as I understood it, the proposer has made her proposition for a reference back because she seeks more information from you as to the nature of your report and proposition given that these are not the proposed changes which the Minister now has under consideration. But if you do not know what you are being asked to provide by way of further information this is not really a point of order. You can make a speech and say that and Members will no doubt take that into account in deciding whether or not the proposition should be referred back to you.

1.2.6 Deputy T.A. Vallois of St. John:

I think the issue with this in particular ... I am a member of the Education Panel and the reason why this Standing Order came up is because there have been all these various kind of tactics working around the scenes. What we have come to is the proposition that is in place now, and I am not going to say this is the fault of the proposer because he has been placed in a difficult situation. The problem is that there is not a proposal on the table from the Minister at present. It was just a press release. Both things have been press releases. So the proposition would be to come in the Medium Term Financial Plan. The problem I have, specifically with the proposal we are being asked now by the proposer, is that if we do not agree to cut the provision of free nursery hours to those earning a combined income of over £75,000. Now, if I was to support that, there is nothing stopping the Minister coming back in the M.T.F.P. and putting a saving in there for £74,000 with a sliding scale. So we are not able to give the Minister, or the Council of Ministers, a clear direction from the States Assembly whether we agree with means testing or not, because that is not what the proposition is asking us. That is my difficulty. That is why I would like it to be referred back and this is a conversation I have had with various Members and the proposer and Reform as well with regards to the difficulty in understanding the direction we are giving as a States Assembly. Also with regards to the M.T.F.P., if anything was to come forward in terms of the savings, there is not anything stopping any Member amending that particular proposal but the problem that is seen is because if they amend it they have to find the money from somewhere else to cover it. Then the Council of Ministers, if they are given the direction that the States Assembly do not want to means tests this particular nursery fund, then there is the ability for the Minister for Treasury and Resources to amend that M.T.F.P. before the debate and there would be an ability to do that under the Public Finance Law.

[10:30]

Senator Ozouf, stop shaking your head at me. So I would agree with the reference back because the difficulty here is that we are not being asked whether we agree with means testing or not. What we are being asked is at a certain amount and above and therefore it means that the Minister can still come forward with a proposal to make a saving under that £75,000. So that is the difficulty, and so I would ask for the reference back to absolutely make the proposition clear, so that we can set the direction to the Ministers as to whether we want means testing or not, if that is the ultimate aim of the proposal.

Connétable J. Gallichan of St. Mary:

We are in an awful muddle here it seems to me and I would just like to ask a point of order which may make me ask you something else. If the proposition were to be withdrawn and we were to move to the next item of business, can that proposition be retabled at this current sitting?

The Bailiff:

Connétable, do you mean can a different proposition be lodged today so that it comes back in 2 weeks' time?

The Connétable of St. Mary:

No, Sir. [Indistinct] and then you can tell me that I am wrong and should sit down, Sir. [Laughter] It seemed to me that if Deputy Tadier had proposed his original proposition unamended but had not proposed the paragraph that referred to the Scrutiny report, which we now already have, we would be having a debate that simply says that the Minister should not implement proposed changes until they have been approved by the States. That would enable us to have the full and frank debate on what the changes are and whatever, without having the limit that the amendment puts in. If it were possible to move to the next item and then have Deputy Tadier re-propose the proposition without the amendment and only propose paragraph (b), I think it is, then we might be out of a muddle.

The Bailiff:

Connétable, as I understand it, your suggestion is that the States should reject the present proposal to refer back, adopt a proposition to move on to the next item and then Deputy Tadier should re-propose this proposition without the amendment. Is that what you are proposing?

The Connétable of St. Mary:

I was hoping that if it was in order that Deputy Doublet, and saw the understanding, she might withdraw her proposition, if we propose without the amendment and only propose paragraph (b).

The Bailiff:

Ingenious but, no, you cannot ... [Laughter] Can I just go back to the ruling? I was asked to make a ruling on what the amended proposition means and I did say that it is a matter for Members whether they wish to debate the present proposition and make such political representations to each other, as it were, as they wish but they cannot change what the proposition means because otherwise we would be in Alice-through-the-Looking-Glass territory. The proposition must mean what it means and really that is where we are, that is the context of the ruling.

1.2.7 Connétable L. Norman of St. Clement:

Just briefly, Sir, and I totally agree with you. Of course the proposition means what the proposition says but we are enduring some rather pedantic niceties to try and get the debate on this proposition deferred. All Deputy Tadier seems to be saying is that we should: "Not cut the provision of free nursery hours to those earning combined income of over £75,000 a year." As he said earlier, that includes people earning £85,000 a year, £100,000 a year or £150,000 a year, all those are included. But the implication, of course, that we pass this proposition might be that we do not cut it for those people or the Minister could cut it for those earning under £75,000 a year. It would have been better if the Deputy had not mentioned an amount at all but he did. The implication of cutting it for people earning under £75,000 is not on the table, is not acceptable and is not going to happen, it is not going to be proposed. It seems to be quite clear what we are talking about, what we should be talking about, is maintaining free nursery hours for everybody, whatever their income is. We are capable of debating that and, therefore, we should really debate that today and then get on with the Medium Term Financial Plan in due course.

The Bailiff:

Nobody else wishes to speak. This is really just for reference. Sorry, Deputy Tadier, you wish to speak.

1.2.8 Deputy M. Tadier:

Yes, I would like to follow the Constable of St. Clement. I think he summed it up. We do not always agree. The Constable is the Chairman of the P.P.C. (Privileges and Procedures Committee). He is the senior Member of this Assembly and I think he has seen many debates and many devices that have been used in the past legitimately or illegitimately. I think the point is that he summed it up. The argument that somehow the Minister is going to go away today if we manage to pass this and just tell him: "Look, we do not want you to implement these changes for people earning above £75,000", that he is somehow going to come back and say: "All right, I am going to target before then" because that is not on the table, it is not within its mindset. It goes against everything that his department has told us about the pupil premium, et cetera, it does remain clear. I know there are those people in the Assembly who do not want to have this debate at all. They do not want it to be done today and they do not want it to win. I take on board that the mover of the reference back, so she is trying to be helpful. But, ultimately, do we cover ourselves in glory when we have an opportunity to discuss this today and make a clear decision one way or the other, to tell the Minister? If people want to stand up and say: "Look, I do not agree with the £75,000 threshold but I do agree with the Minister's proposals", they can make that speech and they can vote accordingly. But I think the point is we can keep on amending this as much as we want. I can come back in 2 weeks, I do not know what information I am supposed to provide. I would have much preferred that it was a move on to the next item. I would have much preferred it if somebody had told me yesterday: "By the way, I think there is a problem with this and would you consider not taking it?" et cetera, and this was not raised. The bottom line is this is in order, it is being moved, it has been approved by the Greffier, it has been read out and it is in order and there is no information that I can provide. Let us be honest about this, it is all in my report, it is all in the Scrutiny report. If the Chairman of Scrutiny is not prepared and does not feel she has got the information to have a debate on the merits of means testing and what the thresholds should be after she and her Panel have been doing this report for the best part of the last 3 months, I do not know who in the Assembly could be better prepared or have the information at their hands that they need. We do not cover ourselves in glory when we have these kind of debates. It might be a tough decision to make. Let us have this debate now. I am quite prepared to lose it. I hope that I win it and that it gives a clear message. But if I need to come back in 2 weeks I can bring an amendment to make this debate happen in 2 weeks, 2 days before the lodging of the M.T.F.P. If that is what Ministers want we can do that. Then at the time, no doubt, there will be arguments, well, it is too late now, is it not? We might as well just wait for the M.T.F.P. to be lodged. If I had moved the proposition to say that the States should just consider the Minister's proposals, there would be a reference back, would there not, saying that we do not know what the Minister's proposals really are because they have not been costed? We do not know what kind of savings they are going to give us because this was just done on the back of a press release. There is no gold and silver bullet here. I think, as Senator Le Marquand used to say, the only enemy of a good plan is the perfect plan. I think we have the debate, we send a clear message to the Minister, one way or the other, about what we think and then I think we can hopefully go home once we have done that. I think we came out here with a purpose this morning which was to debate nursery funding. That is certainly why I came here with that purpose for and that is what we should be doing. I do ask the proposer preferably to withdraw the reference back or certainly for Members not to support it.

1.2.9 Senator I.J. Gorst:

Not wanting to bring upon myself, I do just want to delay this slightly by saying I want to pick up on 2 speeches, one is the Deputy of St. John and the other is the Connétable of St. Mary. It is fair to say I came into the Assembly this morning fully expecting that Deputy Tadier would have moved his proposition in the way that the Connétable of St. Mary asked you, whether it would be possible to do because I think, to pick up on the points of the Deputy of St. John, most Members

this morning agree that they would like to have a debate on the principle. Yet as you have ruled, Sir, and clarified and the difficulty that Deputy Doublet finds herself in, that is not the debate that is before us. The reference back does not solve that problem, it just puts a decision off for a fortnight's time. As Senator Ozouf has said, that is not satisfactory either or we go ahead with the debate that is not the debate that anyone is wanting, about the principle of whether we should means test these proposals. We would almost be debating something that is not written down and the decision would be on what is written down, which is not what we really are trying to get to. Which brings me to a difficult point to make, and I look to the mover of the proposition and the reason I say this, the ideal time to have the debate, and I understand that there will be groanings there in the Assembly, is the M.T.F.P. There will be lots of elements to that debate. It will take days to get through but some of the things that the Deputy referred to in his opening remarks about 1001 Days in particular, he might be surprised with some of the proposals in the M.T.F.P. too in that regard. Therefore, on the one hand he is asking Members to make a decision, as he rightly said on the principles, without having all the details of the other proposals that would meet various policy aims that the Members of this Assembly have. I ask the mover of the proposition whether he does not think the best solution today is for him to withdraw his proposition. I am sure the Minister will do further briefing and give further detail on his current proposals. I am pretty sure he could do that in advance of the 30th, working with the Scrutiny Panel. That, I think, will get us to an informed decision about the actual proposals because we would not have an informed decision on the actual proposals nor an in principle debate today, either way, whether we accept the reference back or not. I am not sure whether the mover of the original proposition and not the reference back would consider that.

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

Very briefly. I have great sympathy with all concerned, this is a mess. What is said in press releases, what is said in statements is completely irrelevant. We have the proposition; that is what we have to discuss today. Either we vote for it, vote against it or it is withdrawn or referenced back, that is it. This is what we have to discuss and everything else is a waste of time. The train has left the station.

The Bailiff:

Very well. Deputy Doublet, do you wish to reply?

1.2.11 Deputy L.M.C. Doublet:

I am trying to collect my thoughts on this and I thank Members who have spoken on the issue. I think there was value in proposing this reference back to the Assembly clearly because there have been so many differing opinions on it. I want to address the criticism from Deputy Tadier, that he would have liked some notice that we were going to do this. In fact, as the Chief Minister said, I would have liked some notice that we were debating the proposition as amended because the last conversation I had with the Deputy we were debating it unamended. Better communication all round, I think, would have improved this situation from all parties. There is so much uncertainty here and I am not sure I can be of much use in guiding Members on which way they should vote on this reference back. I present it purely as an option. When we discussed this as a Panel we were aiming to decide which would be in the best interests in terms of decision making, quality decision making, of when to have this debate. Do we have it today, do we have it in 2 weeks or do we have it along with the M.T.F.P.? Those are the options there. As a Panel, we were aiming to perhaps highlight that to Members and present a way that they could make a choice as to which of those options they thought were best, so that is my intention.

[10:45]

I think Members just have to vote based upon the conversations we have had. I am not necessarily certain what is the best way forward here. There is so much confusion, lack of clarity. I have to say I am not clear on what we are voting on. I am not clear on where the evidence is or what is the best decision to make here. Yes, as Deputy Tadier says, I could make a speech this afternoon, I could help you as best I can. As I said yesterday, most of the evidence and the points in our conclusions still apply to this debate. Yes, I could stand up and do my best to give you the evidence and to guide Members as best I can, based upon that evidence. But the option is still there, I propose the reference back but I do think Members need to make their own decisions and use their own conscience and their own decision-making capabilities to decide what they think is best. I am uncertain, so I am in the hands of the Assembly on this one.

The Bailiff:

Very well. The vote is on whether or not to refer this proposition back to Deputy Tadier. The appel is called for. I ask Members to return to their seats and I will ask the Greffier to open the voting.

POUR: 24		CONTRE: 24		ABSTAIN: 0
Senator A.J.H. Maclean		Senator P.F. Routier		
Senator I.J. Gorst		Senator P.F.C. Ozouf		
Senator P.M. Bailhache		Senator L.J. Farnham		
Connétable of St. Helier		Senator A.K.F. Green		
Connétable of St. Clement		Connétable of St. Peter		
Connétable of St. Mary		Connétable of St. Lawrence		
Connétable of St. Ouen		Connétable of St. Brelade		
Connétable of St. Martin		Connétable of Grouville		
Connétable of St. Saviour		Connétable of St. John		
Connétable of Trinity		Deputy J.A. Hilton (H)		
Deputy J.A. Martin (H)		Deputy of Trinity		
Deputy G.P. Southern (H)		Deputy E.J. Noel (L)		
Deputy of Grouville		Deputy of St. John		
Deputy J.A.N. Le Fondré (L)		Deputy J.M. Maçon (S)		
Deputy K.C. Lewis (S)		Deputy S.J. Pinel (C)		
Deputy M. Tadier (B)		Deputy of St. Martin		
Deputy M.R. Higgins (H)		Deputy R.G. Bryans (H)		
Deputy S.Y. Mézec (H)		Deputy of St. Peter		
Deputy of St. Ouen		Deputy R.J. Rondel (H)		
Deputy R. Labey (H)		Deputy A.D. Lewis (H)		
Deputy S.M. Wickenden (H)		Deputy L.M.C. Doublet (S)		
Deputy S.M. Brée (C)		Deputy M.J. Norton (B)		
Deputy of St. Mary		Deputy T.A. McDonald (S)		
Deputy P.D. McLinton (S)		Deputy G.J. Truscott (B)		

1.3 Nursery Funding: implementation of proposed changes (P.39/2016) - resumption

The Bailiff:

Very well. We return, therefore, to Deputy Tadier’s proposition. Minister, I would ask you for clarification as to what your position was and not what you wish to speak about.

1.3.1 Deputy R.G. Bryans:

I apologise that Members have found themselves in this position. As I said earlier, we were in a situation where I was baffled by what was happening and I think the last few discussions and the last vote really shows that was true. Yesterday there was a lot of discussion surrounding my relationship with Scrutiny. Hopefully, today we can focus on the real issue of nursery provision for

young children in the year prior to entering school. Equally, yesterday I sent around by email a comment given by the Executive Director of the Jersey Childcare Trust, which is an independent charity that provides services and information for parents, childcare providers and other professionals in Jersey, so reference to nurseries in particular. For those Members who did not receive it or have not read this I am just going to read it out, it is not very long: "Since the Education Minister's announcement yesterday with his plans to move the income levels and introduce a sliding scale of means testing, the Jersey Childcare Trust would like to comment publicly on these new plans. The Trust maintains the importance of the principle of universality of access to nursery education. There is a wealth of research and evidence now which shows that the universal model makes the biggest difference, with the return on investment ultimately benefiting the whole of society for many years to come. Taking a realistic view of today's economic climate this universal investment does not seem a possibility now or in the future. The Minister's statement outlines that the Nursery Education Fund in its current form is not sustainable with current expenditure exceeding budget and more private nurseries wanting to join. The Trust is encouraged that the Minister, in revising his proposal, has listened to others, taken into account their opinions and considered the context of the draft Scrutiny Panel report. The Trust is pleased that the proposed baseline income level has been increased to £85,000 with a sliding scale, which offers a more fairer approach. By proposing this the Minister has taken account of the very real financial pressures that families in Jersey face, balancing their childcare, housing and other living costs and the Trust supports his revised proposal." The overriding question now is: why are we still doing this? Why does it still make sense? Means testing, as a principle, is accepted as a progressive measure. This has been identified in the economic adviser's report released to States Members last week. At the moment taxpayers are funding a universal benefit for everybody, regardless of their earning capacity. We have people earning hundreds of thousands of pounds receiving the same free hours of nursery care as people right at the lower end of the earning scale. For some people £4,000 is a vast amount of money, a large chunk of their wages. For others it is the difference between having or not having an extra holiday. What we are trying to do is recalibrate, redress the balance. It also needs to be said quite clearly that the budget for the N.E.F. (Nursery Education Fund), the money set aside for this fund, has for the past 3 years been exceeded. The current funding structure is unsustainable and there is potential for more increase in demand that makes the funding for the N.E.F. even more difficult. We have the potential of 2 private schools now coming in and asking us to pay for that provision. The time is right to do something about this and the M.T.F.P. has provided the constraint and focused our minds on the problem. The original principle was born at a time of relative plenty when the economy was booming but times have changed and we are now having to ask ourselves completely different and much harder questions. Every taxpayer will question, why are we giving nearly £4,000 to people who do not need it who can easily afford it? We need to step away and take an objective look at the bigger picture. We have a duty to look at each and every area of spending and ask ourselves, what is the core role of our Government? Where are we supposed to spend our money? Should we be subsidising Islanders with high earnings when some of our own people no longer have any earnings at all? How do we continue to fund a scheme that we can no longer afford? These are the questions that led us to the N.E.F. proposal. You all know that States finances are under unprecedented pressure and there is a need to make real savings and efficiencies so that we can invest in the strategic priorities of health, the economy and, of course, education. I make no apology for that mantra. We need a co-ordinated approach to this and that is why we need the M.T.F.P. I do believe this matter should be debated and thoroughly considered, it has already been discussed earlier and not in isolation. The reduction of the subsidy should be debated in September, along with all the other M.T.F.P. savings and in context. The Council of Ministers embark on an ambitious plan in the M.T.F.P. Education is playing a major part because it is one of the biggest spending States departments. It has one of the highest budgets. However, this is against the backdrop of rising pupil numbers, major changes

to the curriculum and exams and recognition that our results should be higher. We have worked extremely hard on this over a long period of time to target the right areas so that we can invest the same time as we streamline our services. Reprioritising budgets on this scale is a huge and difficult task but it is not our only one. It sits alongside our business as usual, which is to improve the standards of education for as many young people as we possibly can. It is obvious that well-educated, well-skilled young people make a good workforce, a strong economy and a prosperous Island, and that benefits us all. We have to see the whole picture. What I am saying here is that the change to the N.E.F. funding is part of a bigger vision, which is to improve the educational outcomes for all Jersey children. Children from disadvantaged and less affluent backgrounds are most at risk of underachieving at school. The work to raise standards needs to focus on this group first, so the Jersey Pupil Premium Scheme has been introduced to give them extra help to achieve what they are capable of at school. I believe this is urgent and overdue. U.K. schools have been investing in poorer pupils this way for more than a decade and their standards have risen accordingly. We have been able to tailor ours to our own specific needs. But let us return to the N.E.F. and, in particular, the private sector businesses. We truly value what they do and want them to continue doing it because they provide something our school nurseries cannot. They cater for babies right from birth, an area the Education Department has no role in whatsoever. They provide care when schools are closed and in the holidays. They can offer a form of flexibility that schools cannot compete with and we should not. School nurseries are trying to provide an alternative choice for parents and they are, quite deliberately, 2 completely different offerings. We believe that if these proposals are accepted the landscape of nursery provision will hardly change. People will continue using the nurseries the way they do, either at the school or privately. What do the States nurseries offer? Free places aligned directly with primary schools and continuity and consistency with the start of formal schooling. Most are parochial with a great affiliation to their community or Parish. Contrary to what has been suggested by some Deputies and private providers, they are cheaper per hour to run and we can provide the figures. The heads of our primaries all want a nursery attached to their school because they know how effective they can be for children. The private sector has expanded from 22 to 29 nurseries since the N.E.F. was created but there has been no change in our States primary schools, 5 of the 23 States primary schools still do not have their own nursery but we know there is a rising demand from families, particularly in town. We must be careful here that the private sector businesses, by being vociferous, are dictating to the States what is in their best interest but not necessarily that of the whole community, again the bigger picture. We must be wary of pursuing equality when it is a mirage. States nurseries and private nurseries will never be the same. They serve different purposes for different families, that is why we will not be charging in States school nurseries. An ecosystem of care built up carefully over many years that would be broken if we impose the same rules. We want to maintain a position in nursery years that mirrors the rest of the school system in primary, secondary and beyond, that is parents can choose a free school place, irrespective of their income. They can choose to pay some of the cost in a States subsidised school or they can pay full fees at a private school. Charging for States nurseries, forcing them to act like private businesses, is wrong and will create many more difficulties than it resolves. The heads have already voiced their dissent. I believe in the principle of free education and that is why we are planning to expand the number of nursery places in our States schools. If our proposal is approved we will be spending about £1.3 million on the N.E.F. every year, so the majority of Jersey families will not be affected by the change unless they earn over £100,000. Up to that ceiling everyone will continue to have some benefit from the 20 hours of free nursery for their child. I reiterate, we are not taking away the subsidy, we are means testing it. The impact of this averages out at just one or 2 children per private nursery per year. But I understand this is an emotive issue and the effect has been misrepresented to some degree. Here is an opportunity to correct a misunderstanding that a nursery is closing this summer as a direct result of these proposals; that is not in fact the case at all. We received notification from the owner of her

decision to retire through ill health months before the N.E.F. announcement. Since then, as the Constable well knows, we have been supporting the staff and through them the families and children to keep the nurseries open. An increase of competition, competitors in the private sector, has inevitably had an impact.

[11:00]

Education looked very carefully at the N.E.F. means-testing threshold and originally set it at £75,000 because this is well above the average household income of £48,000 and the median household income for families with at least one child under 5, this is £53,000. Having spoken to parents, teachers, nurses, professional people since our announcement, we have adjusted the threshold back by £10,000 to take account of mortgage payments and introduced a sliding scale to capture more families. If a family has a household income of £85,000 and below they will still receive 20 free hours. If it is £85,000 to £90,000 they will receive 15 hours. If it is £90,000 to £95,000 they receive 10 hours and if it is £95,000 to £100,000 5 hours. Above that, if it is £100,000, they are not eligible. This proposal maintains the principle of means testing while reducing the numbers of families affected and the sliding scale creates a financial buffer and gives more parents much needed help and it still allows us to save, around the £250,000 saving. I am aware that the U.K. Childcare Act 2016, approved in March, provided 30 hours of free nursery education for children under the statutory age with means testing set at £100,000. This is good in theory but financial storm clouds are already beginning to gather. Research by the Pre-school Learning Alliance of private and voluntary childcare providers think the policy could create a multi-million pound funding gap with private nurseries and parents ultimately left to pay more and the scheme not delivering. We have already seen the potential problems of an underfunded scheme and we are attempting to pre-empt them with the means testing. While Scrutiny was talking to people we were doing exactly the same. We spoke to the same groups representing the nurseries. We visited nurseries, both States and private. We spoke to parents in all walks of life. We read the emails and we listened to the public. They were uncomfortable with what we were doing, nobody likes to lose a benefit but appreciated what we were trying to achieve. They understood that the current situation was unsustainable and means testing was the answer. They said that if we got the band at the right level and provided a sliding scale, just like the J.C.C.T. (Jersey Child Care Trust), they would accept our decision. I know that some members of the Reform Party have cited the U.K. plan as an ideal but their stance on the N.E.F. issue is puzzling, as was mentioned earlier, to say the least. Standing in the way of means testing means maintaining a subsidy for the relatively wealthy and reducing the amount of funding available to help other people in greater need. It is the very opposite of what they say they stand for, and I quote: "Protection for those in need and opportunities for all to succeed, progressive taxation, a fairer society." I can only deduce that this is about politics, not real proposals. I think if they were in my place, given the same challenges, they would want to make exactly the same decision. We return to the main question: why are we doing this? We are doing this because it is the right thing to do, the right thing to means test, the right thing to provide as much free education as possible, the right thing to prioritise raising standards by helping our most vulnerable children. Scrutiny wishes me to take this proposal off the table but let me remind you once again what the J.C.C.T. said: "The Trust is pleased that the proposed baseline income has been increased to £85,000 with a sliding scale, which offers a much fairer approach. By proposing this the Minister has taken account of the very real financial pressures that families in Jersey face, balancing their childcare, housing and other living costs and the Trust supports his revised proposal." Their words, not mine. This is a strong solution to a difficult problem. I hope Members appreciate what we are trying to do. **[Approbation]**

Deputy J.M. Maçon of St. Saviour:

Point of clarification, Sir. When the Minister was concluding he commented that Scrutiny wanted him to withdraw this proposal that he outlined. Will the Minister acknowledge that Scrutiny has not had the time or opportunity in order to look at his own proposals and, therefore, that is an inaccurate statement?

The Bailiff:

That sounds more like a speech though ...

Deputy J.A. Martin:

Sorry, Sir, could I just raise a point of order or a bit of advice from you, Sir? From my memory it was Deputy Doublet who proposed the reference back, so I thought she would be speaking in the debate. When you went back you went straight to the Minister. Standing Order 103 says a person ... and I am sure there are some people who have been caught out before, Standing Order 103, if you are speaking in a debate you propose the reference back, whether it is won or lost. You are then given the opportunity to speak in that debate, other than that you have 2 chances. Maybe I have interpreted it wrong but I think ...

The Bailiff:

Sorry, in what debate? Deputy Doublet did speak again in the debate on reference back, she replied.

Deputy J.A. Martin:

No, she was about to propose a reference back. She was speaking in the debate on the proposition by Deputy Tadier. I am only saying I think she should have been given the chance before the Minister. If I am wrong, Sir, I am asking for a point of order. I remember someone else being caught out, it might have been myself.

The Bailiff:

Deputy Martin, the context of it was that Deputy Doublet asked me a question as to what the proposition meant. I said I wanted to hear from the Minister and the Minister spoke very briefly as to what he understood the proposition to mean. I then gave a ruling that led to Deputy Doublet making her proposition to refer back. She has not yet spoken in the debate and she can speak later on. Right, does any Member wish to speak? Deputy Martin.

1.3.2 Deputy J.A. Martin:

Yes, it was interesting to receive the late press release from the Minister on Monday and I did email him back and asked him if he was going to make a statement and he said we will have the debate and I am glad we have carried on to the debate. My very one-line comment on his proposal is he is absolutely missing the point. I want to take us back, not to 2008, 2003/2004. Senator Vibert was the Committee President of Education. I was on it, the Deputy of Grouville, Deputy Julian Green and Deputy Ben Fox. These were proposals mooted then by working mothers who we had many, many meetings with at the Town Hall and their problem was they were working from 8.30 a.m., say, to 5.30 p.m. needing half an hour either side, 50 hours a week childcare and many, from the age of their baby being then only a few months old, we had no maternity leave. We have a little bit better now. Their problem was they had to leave their child at a very young age, they found a great nursery, as in a caring nursery, but they found they did not want 3 years to uproot their child and move him to a States nursery where there was provided some more education and getting the child school-ready. They made some very, very good cases. Yes, there was money elements involved and this had been happening, the 20 hours a week free for 38 weeks a year in the U.K., for quite a few years. We discussed it for many, many years, so that was 2003, 2004, 2005, 2006, 2007, yes, it took about 5 years to introduce it with, again, amendments to make it means tested. I listened

carefully to the Minister's speech and I have read his press release. If you are earning X, Y or Z you will get 15, 10, 5 or zero. Again, totally missing the point. No child under 5 knows whether he has got a rich parent or not. They want to know they are going to someone who is going to care for them, someone who is going to know them and someone who is going to look after them. His own Director of Education, when he came in and visited the States nurseries at primary schools, said there was many fearful young children who did not know who was picking them up, did not know where they were ... it was all very hotchpotch and the child felt very insecure. These are not my words, these are his Director of Education's words. Pre-proposal, and I really do not want to get into money because it is about the principle of the children and the 1001 Days, what we have all had told to you, is the child matters. There was going to be on the table something like a £250,000 saving if we means tested 100 families at £75,000. We do not know where these figures come from now, the 15, 10, 5 and zero. There must be evidence because I know the Minister would not do the calculations on the back of a fag packet but we know that, do we not, because did we not just have a one-side A4 press release? He then really, really, and I hope the nursery providers out there were listening, went on and said we have some ... he used the polite word, what he meant to say was some greedy businesses out there are only making a noise because they want to preserve their nursery; absolute rubbish. They put in the 20 free hours. Education go out and they make sure the children are getting that education. It is different from the age of 3, and at 3 and 3 months you see that they get that 20 hours. They have members of staff trained to provide that exact 20 hours of education to get them school-ready that you would do in the States nurseries. The Minister then said: "We are ploughing more money into States nurseries which is no good, but is very good if you do not work or you only work 38 weeks a year for 20 hours a day." How many mothers can find jobs like that? I have never been able to. It is a myth. He then said it is much more cheaper - he does have the figures and I want to see them - to run a States nursery. Well, he does not have any babies. The provision in a baby room is 3 babies, one fully trained childcare provider and maybe one or even 2 assistants teaching. They bring them down from Highlands. They have all the hands. Has anybody here ever had 2 babies under the age of 18 months, twins or triplets? Of course it costs more money. He is missing the point. This House is missing the point. You are pitting one group of children against other groups of children. You are pitting working mothers against those who maybe have the luxury and do not work or they are for some reason ... sometimes you have to make the decision. When you have too many children under 5 for some reason it will never, never pay you to work. It will not pay you to work. I really wish the Minister had not come back on Monday with these proposals: it is now a sliding scale; it will only affect a few people. I do not want anybody having more worry because it is no fun when you have had a baby. You have done your maternity leave. You have to look for a nursery provision. I know 2 or 3 young people who work in these provisions, different ones. They have long waiting lists. The good ones will survive, but most of them are good. Maybe we have not, since we brought in the scheme, been putting enough money in the N.E.F. because when we introduced it, it was going to be working and it was going to be sustainable. Are we putting more money into education? Are we really taking the population of the primary and the nursery pupils into account, another figure that when you try and target we are never given? I have spoken early because obviously everybody else was holding back. Nobody else is obviously going to speak after me because nobody wanted to. I do emphasise again this is about tough decisions for hard-working parents, but it is the child that should be the focus of all our minds. There should be no child ... it is hard enough for a child who is in a private nursery, that does not go to the nursery or cannot because of the hours provided free, has to wait until they are 5 to start in preschool or reception. It is a total wrench for them. It would be ideal if they could do a few hours here and everywhere, but they need mum or dad to do the running around from one school to another and mum and dad are working so they cannot do it. I cannot agree this is correct. I do not want to pit somebody on £100,000 against somebody on £85,000.

My interest is the child. They need to be in a stable environment and they need to get this 20 hours free.

[11:15]

It could be just that few pounds either way. Would you really want - which was said at the Pomme d'Or, it was said 10 years ago at the Town Hall, in about 5 or 6 meetings - parents who are putting money into the economy, really doing a good job, to sit there thinking: "I am going to pull back here because I am just going to reach that threshold"? Their main concern is probably not the money, their main concern is the care and the continuity. That was their word, wraparound continuity that this would provide in the place that they had chosen, and it is not, as the Minister said, going to ever be, and rightly so, provided by the States. That is correct, but do not confuse the 2. Please support this. The principle of means testing children - and it is the children who will suffer, that is why I say the children, not the parents - is totally wrong. I ask Members to support Deputy Tadier's amendment.

1.3.3 Deputy R. Labey of St. Helier:

I pressed my buzzer by mistake, but I just wanted to say a couple of sentences. I believe a popular mantra in the early weeks of this Council of Ministers at the beginning of this term was: "Let us go for the quick win." I think that very soon we will find out how difficult it is to achieve the quick win because one Minister's quick win is another man's disaster. What I do not understand in this debate and with these proposals is why they are not set for 5 years in advance. It would give the Minister a lot more scope and it would mean that it would not affect people right this minute and dumping a charge on them when they have their kids in nursery or they are about to give birth and they cannot plan for their finances; it is unexpected. If you did it 5 years hence, you give people a chance to plan their finances, do family planning, see if they can afford the children and send them through nursery. That is all I have to say.

1.3.4 Deputy J.M. Maçon:

Being a member of the Scrutiny Panel, there are some points I want to make, just looking at the original proposal of the Minister because that is what we have considered. Of course, I will be supporting Deputy Tadier's amendment because the Minister has accepted Deputy Tadier's proposition and changed the scheme, so in that sense this debate is a bit of a nonsense, but never mind. There are some important things which have come out of this process and unfortunately this debate is not about means testing one way or another because that is not what we are voting on. We must look at the pros. When we looked at this, many parents wrote to us and explained their concerns about the cliff-edge effect of getting to that £75,000 limit and how that could seriously impact their families, how they had structured their finances, and some of them were quite fine. Now, I know we have had people talking about: "Those earning £100,000, you know, how should they be entitled to this?" and I think Deputy Martin made the point that it is about the child. The child is not earning £100,000 and that is something that certainly the Panel were very concerned about, what is best for the child in the whole of this process. On the other hand, certainly I put to the Minister in our hearing about whether a stepped approach had been considered in order to make it much more manageable for families and people, and I am delighted to see in that regard that we are moving that way. I am perhaps less concerned about means testing than other members of the Panel because I do appreciate the situation, but we must look at the evidence and what came forward in the evidence that was proposed. The Panel was not able to be convinced that necessarily the savings that the Minister is trying to produce will be there. We explored this theme in our report where we talk about the parents who are involved, and the majority of the parents that this will affect are professional people, are intelligent people, and the Panel thought because the proposals are only targeted at the private sector nurseries and not the state sector nurseries, you

would make sure that your child was going to go to a States nursery in order to avoid losing this benefit. So how can the Minister or how can the Assembly be sure that ... and I think the Minister said that States nursery provision will be given to those families from a lower income but, of course, if you know that you are going to be in that bracket you are going to make sure that your child is on that waiting list to get into the nursery as soon as possible. So how can we be entirely sure that the savings that the Minister is trying to propose are going to happen, never mind the fact of the inequity between someone who sends their child to a private nursery and that person who sends their child to a States nursery? Certainly, that came through about just how unfair that was and how that would affect parental choice because many parents felt that at that age their child may not necessarily be ready for more of an education-based learning environment and a care-based environment at that age might be better for their child. But the problem is if we proceed with this proposal, for those parents, some of them, as it was - I appreciate it does change with the sliding scale, but as it was - it was a huge barrier because it reduced choice. That is why the Panel in our report was so critical about that aspect. As with the Minister, the Panel went around and we did look at both private and States nurseries and we are proud to say that certainly we felt that there was good provision and good practice in both settings, and that is something which certainly is a credit to Jersey. What the Panel were very disappointed to see from the Education Department was a lack of consideration or lack of any consultation about these proposals. Now, just to begin the unnecessary upset, alarm and anxiety that that caused to families in the Island, releasing these proposals without going to consultation, I do not believe is good government. That is not responsible and I think it does need to be mentioned. Any Minister going forward with any proposal should make sure that they consult much more thoroughly to avoid unnecessary anxiety to the people that we are supposed to be here to represent, surely, or maybe I am a little bit more caring, I do not know. What certainly came through from the lack of consultation was the Minister said that he felt that the department had a good relationship with the private nurseries. In our Scrutiny hearings, the transcripts say quite different, how they felt very much that the lines of communication between themselves and the department have broken down since they had lost the post - we have that in our transcripts; that is all public - and how they felt that given that they were just informed that this was going to happen, that no consultation was had with them, where they had recommendations that they could have made to the department at the time which might help the department in its savings, given that no consultation had happened that opportunity was missed and they felt very much that this was just the department ganging up on the private nurseries. Whether that is rational or whether that is evidenced or whatever is not the point. The point is they explained to us that that is how they felt. Looking at the money, certainly where we look - and we talk about it in our report - is looking at the thresholds and looking at who this does affect. Because some people may say £75,000 is quite a lot of money, but when you look at the house prices in Jersey for a 3-bedroom home for a family, when you look at the amount that you need in order to secure that mortgage based on the average price index at the moment, for a young family ... and then being able to afford child costs, there is not much in it, which is what the parents that contacted us explained. Now, to be fair, in the press release that the Minister has submitted even the department now acknowledges that and they have used that as part of their justification for changing how their thresholds are. The point about that, and I think an earlier Member said, these are the families, mostly 2 working parent households, to borrow the U.K. example, the strivers in our society. These are the people who want to be aspirational. Those are the ones who want to go out and better themselves and all this rhetoric. It just shows who is being targeted when the original proposals were being formulated and it really seems a bit disjointed and very much against who you would expect core support for the Council of Ministers, who they were going after. As I say, given that the cliff-edge proposal has now been ditched by the Minister, which I think should be welcomed given the impact that that would have on families, certainly I am able to support Deputy Tadier's proposition today. As for a further means-tested scheme, what the details of that

would be, how that is going to be calculated and how it is going to be applied, we have yet to see the detail of that and I cannot make any further comment about that at this stage.

1.3.5 Connétable M.P.S. Le Troquer of St. Martin:

Members will probably be quite pleased that the first 2 pages of my notes ready for today's debate I can now put aside. It was also the third speech I had written because I had one prepared for 10th May when we were originally going to debate it and again on 24th May, which passed, and then obviously we have had all the debate that occurred this morning. I might have to remind Members that we have a briefing today at lunchtime from the Education Department about their finances and this would have come after today's debate, which I really found quite confusing. I had written on my speech: "Despair, annoyed, confusion" and I know that Deputy Martin said "baffled" yesterday when she was speaking when we were discussing it yesterday. It came to the point I was wondering whether to speak or not during the debate because the Minister had made the concessions. He had conceded and made changes, but I do want to speak. I do have a couple of points I find still quite important. I would like to thank the Scrutiny Panel for the speed that they did produce the report and also thank the Chairman for the way she conducted herself yesterday during the 15 minutes of questions. **[Approbation]** As Scrutiny reports go, there was little in favour of the Minister, unfortunately, and/or his decision to curtail the current concession. I call it a concession because I do not believe it is free. I am hard pressed to think of anything in the report that supported the Minister, and voting against Deputy Tadier's proposition will indicate that I am not supporting the Scrutiny process, which is also difficult. That is just not the case. I do want to make a few points that I feel strongly about. I know there are other members of the public who share those concerns. I was to have supported the Minister and voted against the original proposition from Deputy Tadier back in May and my original comments for that debate related mainly to 2 areas that I wished to express and to share during that debate, the debate that never took place. Those concerns have not really changed, although the Minister for Education lodged an amendment to ensure Scrutiny worked fast, and they did, thank you. Then Deputy Tadier subsequently amended his own proposition, the one that we have today, basically to leave the 20 hours free. The 2 areas of concern that I had was the £75,000 cut-off, and what a difference a pound makes, black and white, over or under. We know the Minister has now relented and made concessions about the free nursery education with a sliding scale and starting at an even higher combined annual salary than he had suggested in the first place. The other concern that I had was the nursery provision for those in States nurseries while parents at private nurseries had to pay. I do not believe it is similar to those that have to pay for education in schools in junior and secondary schools because I see that as schooling and not childcare. I believe the proposed qualifying allowance, if to continue with a cut-off figure, should have applied and should still apply to both private and States-run nurseries. How fair is it for a parent with a child or children in a States-funded school and who may well be earning well over £100,000 single salary or combined salary to receive that free nursery care while those who cannot secure a place at a States nursery have to pay? The simple answer to that is that it is not. However unpopular my views may be among some Members today and by parents with children in private nursery provision and, indeed, States-run nurseries, I think there are many taxpayers who are equally concerned and who cannot see why their taxes should be funding nursery care at all, in particular private nurseries, and at the financial levels proposed.

[11:30]

I find it hard to remind all the elderly people when the next Christmas bonus debate comes up or arrangements for pension increases of a few pounds that we are funding nursery places for children whose parents can earn the sums of money that we are talking about, that they can only dream of

and have probably never earned, yet no bonus, and those who may be facing an uncertainty in their employment and may be facing redundancy and any other group that their allowances might be being cut. I am sorry that the Minister has relented and taken the decision to raise the limit, but he is in the hot seat, I am not, and he is trying his best to respond to the concerns he has had from those families that are most affected while trying to find savings that we have set his department to find. We are all told how important nursery education is for toddlers. The 1001 Critical Days initiative is the way forward for those crucial early years. It may explain why I am like I am, but my crucial early years was with my family, with my parents, not in a nursery. My daughters, both of them, their crucial early years was with their mother and father and our family, not in a nursery. But, of course, life has changed, life has moved on, and new ideas and visions have come forward and we are being told that things have changed and it will probably prove that we have done things wrong in the past, or at least we could have done them better. We also hear how much harder it is now. I speak of this a month after I prepared my first note, but it was a day after then when I put my notes together of the experiences we had heard of people on the Island during Liberation, and that is where hardships were felt by people on the Island. I would like to be around now if someone was to go up to my elderly mother today, and probably the parents of many of us here today, and tell them it is much harder now than it was in the 1950s and 1960s and to tell my wife that it is much harder now than it was in the 1970s and 1980s. I like to say to people: "Go and tell my daughters that they were deprived by not being sent to a nursery and would have done much better in life if they had been able to mix and socialise better." I warn people: do not do that because I will be a long way away when you do. I have read of an Essex and Surrey University study reported in a national paper last week, 25th May. Yes, Members, it was the *Daily Mail* and I apologise for that. I have not read the whole report, but I was trying to keep with the flow of paperwork to deal with today's debate. That report from Essex and Surrey University suggested that there was no evidence of educational benefit to a child from subsidised preschool childcare by the time that they reached the ages of 7 and 11 and the test scores of the children were no higher. I understand the report suggested that the main benefits seem to have been cheaper childcare for families of 3 and 4 year-olds. Just cheaper childcare. There has been a lot of reported comment in the media from parents regarding the proposition we have today. Some have made me really frustrated and I cannot say how genuinely they were reported as to what was actually said, but one mother referring to losing 20 hours who is already personally funding 30 hours of nursery care, surely a misprint: 50 hours of nursery care for a child in a week? Call me old fashioned ... maybe she has more children than a single child. Another couple is planning their family around States nursery care. That cannot be right. As I have said, I find this difficult to deal with but feel I have to speak today and speak as I have spoken. I believe some of the public feel the same way, despite what those that are affected may be thinking, the pensioners, the redundancies, those on income support. It is easy to suggest that Members do not listen but how many times must we relent or retreat when things become difficult? I would just like to remind myself and the public that the Minister is not imposing an additional tax on parents. I do not see this as a stealth tax. Surely he is trying to halt a benefit, albeit now further extended, that is received by some parents - even Deputy Tadier I think refers to it in bullet points in his proposition - to free provision. Of course, how often are we reminded that nothing is free? I conclude. I hope the issue of the debate does not become a Scrutiny versus Minister issue because both have tried to progress this in accordance with due process in a proper manner. I feel there is a possibility that it could detract from the issue in question. The fact is that the Government has to save money and even if it seems a relatively small amount it is a recurring cost. Every penny counts and everyone has a part to play. We cannot keep relenting for special cases. I will be voting against the proposition, although it is an unusual proposition because it is something that has already happened in a way, and have to add that I am disappointed that the Minister relented to the public pressure from those most affected by increasing the threshold he originally set.

Deputy R.G. Bryans:

Could I just raise a point of clarification? Thank you for the Constable raising the issue of the meeting that we had put down for lunch hour today. I will be postponing that because I do not want it to be misinterpreted or to influence anything people might be thinking.

1.3.6 Deputy J.A.N. Le Fondré:

Firstly, I want to commend the Education and Home Affairs Scrutiny Panel for the work they have done and the speed in which they produced their report. **[Approbation]** They have also engaged well, in my view, with members of the public and in the short time period of the review they have received 80 submissions, which in my view does show the level of interest this subject has generated. As a result of that report, I was also reminded that when the proposals were originally brought to the States I was one of the 2 Members who voted against the proposals. At the time, I considered that while they were laudable they were unaffordable and that we should not set out on a path which was not sustainable. I would submit that I have been found to be correct, i.e. we are now cutting those costs because the Council of Ministers consider they are not affordable. But a States decision was made. That is where we are. I would just note before I carry on that the terms of the press release or based on the press release from the Minister, the sliding scale does seem to be an improvement on the original proposals, but for me here and now the key issue is the proposed discrimination between States nurseries and non-States nurseries, i.e. if one sends one's child to a States nursery one will get the full benefit irrespective of one's income, whereas if one sends one's child to a non-States nursery one will not. Effectively, it is Government giving itself a competitive advantage against the private sector and that cannot be fair, period. A minor note: it would seem to me that the proposition itself, even with the revised changes around the press release, it does state over £75,000 so in theory that encompasses the Minister's proposals anyway, but to an extent that is an aside. What I am also concerned around is mindset. To me, this is about spending money ultimately or not spending money. The likely outcome of the proposals that as far as I am aware are in front of us at the moment - which is this discrimination issue - will be that ultimately more people will potentially try to get their children into States nurseries. Then Education will eventually be wanting more money because of the extra demand on their facilities. It seems to be a quick fix with long-term consequences and in my view we have been here before around the provision of nursery care. Even though he has popped out obviously to tell his department probably he is going to cancel the meeting at lunchtime, I would really like the Minister to take particular note of the inherent unfairness. It must be inherently unfair that people on the same income will be better or worse off according to where they send their child, i.e. to a States or a non-States nursery. That is Government acting to give itself an unfair competitive advantage against the private sector and to be even considering that cannot be right. I am surprised the Council of Ministers are notionally adopting that process because that to me goes against everything that we in Jersey stand for. So, on that basis, I am supporting this proposition because I think that does allow the Minister to go away and reconsider. But for me, it is the inherent unfairness and the States giving itself a competitive advantage against the private sector, and that ultimately means more cost on the taxpayer.

1.3.7 Deputy S.M. Wickenden of St. Helier:

I did like Senator Ozouf this morning when he said this is chaos, and this is chaos and there are good reasons for it, I guess, or not, which is that the Minister went out and told the public he was going to do something without consultation. It caused an outcry and we as Back-Benchers listen to the public, we listen to what the Minister is doing, and we have the right to come in with a proposition to try and change things. Then at the very last minute the Minister will change the goalposts that destroys the proposition from a Back-Bencher, making it completely irrelevant and this is the second time it has happened recently. It is shameful, it is unfair and it is not good tactics.

I was a bit surprised on this with the Jersey Childcare Trust endorsing all of this without having the figures of how it was being done, why, who it is affecting, how and where. I am a little bit surprised, rowing my old boat, saying: “Where are the figures? Where are the figures?” I agree with everything Deputy Le Fondré said about discrimination. How can it be fair that for these people it is over an amount and there is a threshold and for these people there is no threshold whatsoever? It is a lottery. It is absolutely wrong. It should not be happening. It should be looked at better. This is an ill-thought-out plan. As far as threshold goes, there seems to be no joined-up thinking about that either. We have £75,000, £80,000 here, we have household threshold £85,000 there, and depending on which department is doing what, the household threshold is different for who can afford it, but there is no joined-up thinking. Well, there certainly does not seem to be. Maybe we will see it in the M.T.F.P., maybe. As far as means testing goes and education, I was doing a bit of research and I came across P.36/2013, so not that long ago. This was Jersey Music Service: introduction of “user pays” charges. The Comprehensive Spending Review commitment of Education, Sports and Culture, as it was then, includes making savings of £200,000 from Jersey Music Service. This was scrutinised by the Education Scrutiny Panel and they asked the Minister to consider whether the scheme to subsidise purchase of instruments in the form of means testing might be appropriate. The Minister replied: “E.S.C. (Education, Sport and Culture) has considerable experience in means testing because it is used for the allocation of higher education university grants. It is onerous both for the States department and the parents and we concluded that it was not appropriate in this case for the following reasons. It would involve extra costs and administration and it means extra staff. The cost of means testing would start to cancel out the savings unless we put the lesson price up considerably. We have worked hard to keep the costs as low as possible.” Basically, we need more staff and it is going to cost more money, and that was for £200,000, so we cannot means test. That was 3 years ago and that was the Education Department. What has changed? So, is means testing the right way to go? Yes, but let us have the figures. What are we going to say? By going up above to £85,000 to £100,000 and scaling it are the savings going to be what, maybe £100,000? Then we means test it, which means we need to employ more staff apparently - or we did 3 years ago, I do not know what has changed now - and we need to put higher costs on it. So, maybe we will get a saving of £50,000. Are we really going to be able to say this is the right thing to do? Where is the information? Okay, it will be in the Medium Term Financial Plan but you cannot blame Deputy Tadier for bringing forward a proposition on information that he was given. Also, I would say to the Ministers get your house in order and stop making changes just before a proposition to hurt Back-Benchers. I cannot support this proposition because it is over £75,000 on the actual wording, over. I think we need to do something. Something may need to happen. It may not be sustainable but when you say “over” what you are telling the Minister is he can only make the changes for under £75,000, for people with a household income below, and that is why I cannot support it in this instance. But I would say this has been chaos, as Senator Ozouf said, chaos, and it should not have happened.

1.3.8 Senator P.M. Bailhache:

This is a bit of an Alice in Wonderland debate and I was going to say in the spirit of your encouragement to Members to express political views in and around this subject that I was going to treat it, in effect, as a debate in favour or against means testing of nursery education. But Deputy Maçon has made me puzzled because he said that he was in principle in favour of means testing but yet he is going to vote against the proposition. I am not quite sure I understand that, but perhaps Deputy Maçon is just grumpy as a member of the Scrutiny Panel. **[Laughter]**

Deputy J.M. Maçon:

I am anything but grumpy. **[Laughter]**

Senator P.M. Bailhache:

Well, I think he would have a right to be grumpy, actually, and I shall come back to that in a moment. Treating this as, in effect, a debate upon means testing or not, the question for the Assembly would be: do we want to use scarce resources to enable public money to be distributed to everyone, including those who do not need it, or should it be targeted towards those whose income is lower and who need help most of all?

[11:45]

Insofar as the Government is concerned, there is no question of what the answer to that is and, indeed, the Assembly has itself supported the principle on countless occasions in the past 18 months that taxpayers' money should be targeted towards those in need. When you have money coming out of your ears you can distribute money, of course, without much care as to where it is going, but that is no longer the case. Deputy Le Fondré - and he was supported by Deputy Wickenden - suggested that there was some unfairness in the different treatment of private nursery schools and state schools. I do not think that is correct. It is important to recognise that as a matter of general principle in Jersey parents have a choice. They can either send their children to state education, which is entirely free, or they can pay for private education and they do that for a number of different reasons, including faith or ethos of the school and many others. With one qualification, it is essentially the same situation with nursery education. If parents wish to have free nursery education, they can send their children to a States primary school and most of those primary schools have nursery education attached to them. The qualification is that not every primary school does have nursery education attached to it and for a very small number of parents who might wish to send their children to a States school for nursery education there may not be enough places for them. So for that very small number of parents there is a compulsion at present to use private nursery providers, even if, in fact, they do not wish to do so. That, it seems to me, is the justification for using taxpayers' money to subsidise nursery education in private nursery schools for those in need. Where the line is to be drawn is always difficult. The Minister chose £75,000 at first, but now he has moderated his position and included a sliding scale which is fairer and more equitable and everybody really seems to accept that. I listened yesterday morning to one parent on the radio who was complaining even about the revised proposals of the Minister, but even she could not say that the Minister's proposals were unfair. She just wanted it for free and that is an understandable point of view. If you have money coming out of your ears, as I said, it can be done, but that is not the position now. I do think it is extraordinary that the Reform Party - Deputy Tadier did mention this in passing in his opening remarks - who want to tax higher earners more highly now want to give away taxpayers' money to the very people who do not need it.

Deputy S.Y. Mézec of St. Helier:

A point of correction: we still want to raise tax on them as well.

Senator P.M. Bailhache:

I am sorry, I did not hear that. £100,000 a year is more than £8,000 a month and nearly £2,000 a week, and these are the people that the Reform Party want to tax more highly but today they wish to put money into their pockets for nothing. I mentioned the Scrutiny Panel and I do think that the Scrutiny Panel is entitled to complain that it was not treated with the respect that was due to it. That was unfortunate but the Minister has graciously apologised for that and it would be a pity, it seems to me, if Members were to treat this debate as one of a complaint about the process rather than a debate about substance. Because the substance is that no one who cannot afford it is going to be requested to pay for nursery education. The Reform Party I think could turn its guns in a slightly different direction and the Minister and I would perhaps find this more difficult to respond to. The cut-off point for financial support for living and travel expenses for university students is

£53,900 in the year, considerably less than the proposed cut-off point for nursery education. If there is any area of education funding which needs scrutiny and constructive thinking it is in the context of tertiary education. What the Minister is proposing in relation to nursery education seems to me to be entirely fair and reasonable and it has been recognised as such by the Jersey Childcare Trust. The Scrutiny Panel I think was wrong to state that the proposal was, and I quote: “Not in the best interests of children.” Why ever not? What possible effect are these proposals going to have upon the children? They will have no effect upon the children. The effect will be upon a small number of parents who will have to pay nursery fees which they did not have to pay before, but there will be no effect upon the children. Deputy Tadier said that this was a divisive proposal but it seems to me that it is no more divisive than requiring a family earning £100,000 a year to pay more tax than a family earning £25,000 a year. I hope that Members will reject this proposition because whatever stuttering may have taken place at the beginning in relation to the Scrutiny Panel, the Minister has come forward with proposals which are completely fair and reasonable.

1.3.9 The Connétable of St. Mary:

That is opportune because Senator Bailhache has given me a couple of things that I had not thought about before to think about: firstly, about the fact that parents have a choice between public and private education. That is always the choice that they have in their schooling, absolutely, but there is a statutory obligation, on behalf of the States of Jersey, to provide primary and secondary education for all. There is no statutory obligation to provide nursery education and for that reason parents do not have a choice. They may have a choice depending on where they live and what their circumstances are and when they get into the “tirage”, is what I would call it, for a place. Because some parents will not get a place at a States nursery. There is not enough provision. Secondly, Senator Bailhache talked about scarce resources and the need that we have to target those resources where they are most needed, and I agree with that. Who could not agree with that? But if you are going to means test, by not means testing the States provision as well, you are not targeting because the resources are available without target and to all regardless of income. It can well be that the people who can most afford one of those places in a private nursery are the ones who are allocated the free place. If you are not going to analyse the public and private together, you are not going to achieve efficient targeting. That is a fact. Senator Bailhache also said - actually it is 3 things, well done, it was a very good speech, Senator Bailhache - that no one who cannot afford a place will have to pay, but plenty who can afford a place will not even be asked to pay. Now, that takes me to where I wanted to start the speech, which is one word. In fact, there are 2 words and they appear differently in the report: inequality ... inequality, let us just stick with one for now. I was on the Scrutiny Panel which was chaired by the now Constable of St. Lawrence, the Education and Home Affairs Scrutiny Panel that did the original early years report, and I have to say that of all the things I have done, which some may think are good and some may think are bad, that was the thing since I have been an elected Member that I was most proud of because it had a real and tangible effect on the lives of people in the Island and a positive effect. I was really, really proud of the work that was done. I was immensely proud of the public and their engagement with that, and the word that came out throughout the consultation was inequality. Now, we pride ourselves as an Assembly on empowering minority groups, of removing the stigma of minorities, of standing behind the diverse sections of our community. Why would we want to reintroduce an inequality that we have successfully removed? Now, at this point there are 2 things to say. I am always finding extra things. Well done to the current Panel. I applaud the work you have done and I applaud the way in which the chairman delivered her statement and the follow through on that. It was outstanding in my opinion, well done. But I also understand that the Minister is in a very difficult position and is finding himself needing to make cuts and having very limited areas in which to make them. It is a really difficult place to be. Going back to the original report, looking at some of the findings and the recommendations, we found new generations of young children and parents are continuing to

miss out on opportunities afforded to others through the inequity of the current system of early years provision. The Minister responded: "Agreed." One word, agreed. We found also there is broad support that the same entitlement to free early years education should be available to all children. The Minister responded: "Agreed." One word. I ask myself what Deputy Wickenden asked himself: what has changed? I had not prepared for this speech. I am speaking more or less off the top of my head because I did not think we would get here. I thought that the Minister will surely listen to what is being said and he will surely take note of what has happened in the media and what has happened with the Scrutiny Panel. This is before we had the report. Because I really did feel ... and I have had a great deal of support for this current Minister. He has done some good things, let us not take that away. He has done some really good things, but the way the original proposal was delivered, that had to be one of the worst things I have ever come across in my time here. Then blow me down, he did it again, a revised proposal but without the substance and specifically, in fact, saying this will not apply to States nurseries. Introducing a sliding scale, yes, but not with the supporting information that I needed, not with looking at it across the scale.

[12:00]

One thing to the Minister. Minister, I do not know who gives you political advice. If you shop at any place for political advice, my advice to you is do not go back. **[Laughter]** Find another supplier because that was compounding one horrendous delivery with another one, which has ultimately led to the confused state that we are in during this debate. I do not know if I am even going to vote at all or if I am going to abstain. It makes not a jot of difference to me how this proposal goes. The important thing is, Minister, please, listen to what I am saying. You may not agree with it but lots of other people are saying the same thing. Now, the Minister did come back, he recognised that £75,000, while a huge amount of money and let us not evade that fact, was not the correct place. So then he has come back with a sliding scale but, of course, we are still left with the question: what is the correct place to start and should you start at all? There are a couple of things to say about that. Firstly, means testing like this must be based, as I understand it - I will be corrected - on a prior year's income because we need something that is verified by our Tax Department or some other agency to be the starting point. Now, we are talking about nursery education. Most people may have 2. You may have had a child which will be rising 4 this year and will start and your ability to pay will be based on what you earned last year. But lo and behold, you could have had your second child last year so this year you might not be working at all. Your income will be vastly different year on year. One of the things you can be sure of as a young couple or a young family starting out that things fluctuate. Because one year you might be earning not very much because you are studying. You get your professional qualifications; you earn a bit more. You take a mortgage; you have got less disposable income. It is like this. My youngest child is going to be 20 this year and I am just, for the first time, thinking: "Phew." **[Members: Oh!]** **[Laughter]** Then I get the bill for the next year's tuition and I am thinking: "Oh no, I am not there yet" but anyway. I am sure that by the time the youngest is finished the eldest will be doing something completely different. One thing we are, we all try and support our children in the ways that we can. There is no doubt about that but here is the rub. We are saying that maybe we should not be allowing people who earn a high amount of money to benefit from this because our resources are scarce. They are the people who are paying the tax. **[Approbation]** Yet again, the more middle-Jersey pays in, the less we are eligible for. That cannot be right. That is the single thing that will drive this social unhappiness, this unease, which will really cause us social problems. Takes me back to another thing I needed to say, that when we were looking at early years, early years is not about sticking your children somewhere where they will be reasonably safe while you go to work. It is not basic childcare. Early years, the absolutely excellent, excellent people in our States and our private nurseries are providing for our youngsters is the way of building social

development, the way of starting those youngsters out so that when they hit the statutory education they are ready to absorb. We must not forget that our youngsters are sponges at that time. If we give them the opportunity, they will soak it up. What happens then? Sixteen, 18, 20 years down the line they are really, really cohesive members of society. They are giving back in other ways everything that we have given them. Deprive them now and society in 20 years' time will be poorer for it, there is no doubt about that. Our report with a staggeringly good adviser, and I know that adviser, Dr. Cathy Hamer, is staggeringly good because the Education Department poached her from us and have used her for lots of things. She is an excellent adviser but she sees things very clearly. It is not about looking after Johnny and Jill while you go to work, it is about making them better members of our society, making them fit for our future. Thank you, Constable. I knew that being chair of the Panel would come out somewhere. I just really cannot say how disappointed I am that we have come to a situation where the thing I felt so much pride in 8 years ago - 8 years - is now something that we are saying we cannot carry on. I echo what has been said, is there not a competition issue somewhere between the States? We are endangering, I believe, some nurseries, I just cannot see how. I will not go into specifics but I am so worried that we will take away some of the richness of the provision we have so that if say in 3 or 4 years' time funding does come from some source, we will not then have the structure to carry on delivering it. I really so hoped that we would not get to this point. The Minister, I know he has tried to respond. This response has made me more uncertain than ever. But one thing I am certain of is this is a really serious issue. It is a serious issue all round. Senator Bailhache has said maybe we should be looking more at tertiary. That is not an "either/or" it is an "and". We are in a situation where we are not empowering our next generations to be the people that they can be, and who will lose? Our local society here made up of all kinds of diverse people as a whole will lose. I have said quite enough. I feel so strongly about this, so strongly that we must, must do everything we can for our next generations. Thank you.

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

Following the Constable of St. Mary has emphasised very eloquently much of what I wanted to say which proves common sense comes from the Constables in the country Parishes, but having put my foot in it, I only hope I can live up to something equally as good. We are debating a very small part of a very big issue and that is my problem. We should not in isolation be debating this issue without taking into account the whole issue of not just nursery education but education as a whole. Where I am seriously confused is that 18 months ago we debated the Strategic Plan in which we were told more money would be invested into education, more money invested into health, growing the economy and spending money in St. Helier, the 4 strategic aims. If we are spending more on health, investing more on health, why are these cuts being made? You then look at the M.T.F.P. which looked like this. It was a blank page and we were told we would be given the detail next year. There was some small print which was so small I could not read it which said that the additional spending would be made if the savings were made. So if the additional investments are now not being made, is there an admittance that the savings that should be made are not being made? An awful lot seems to hang on 30th June when all will be revealed, I hope with a little more detail than last time. But again the strategic aim has got to be to provide for the future and provide what it said: more investment in education. The problem I also have in another area, and I disagree with Senator Bailhache, is on choice. Because the first people to put their names down, those who were fast enough ... and somebody told me earlier today within half an hour of their child being born they were phoning up to book their place at school before they even told their parents that they were grandparents. Now if this is the sort of attitude that has to take place, we have got something wrong. Nursery education some people regard as extremely important, some less important. But why means test those in the private sector if those in States-funded nurseries are not means tested? It is a first-come, first-served basis and so unless you are going to provide this service right across

the board, which clearly the States cannot do, we must rely upon the private sector to top it up but then we should not disadvantage those families who are unable to get States nurseries and have to call on the private sector. I regret that I cannot support this proposition because it is simply a narrow view of a very much bigger problem, I am afraid, that we need to debate. It is a serious matter and we need to debate the whole education system. It is in no disrespect to the current Minister; I think he is doing a superb job but he needs some guidance from us in the Assembly as to what we want him to deliver. Whether we have means-tested nursery, whether we have free nursery, these are decisions we, as an Assembly, need to relay to him so he knows how to align his budget. Thank you.

1.3.11 The Deputy of St. John:

I would just like to thank the Constable of St. Mary especially for her speech. My views, my feelings about this very much resonate with her speech. But there are specific areas that I would like to address in this proposition because I think it is also fundamentally important, whether this proposition is approved or rejected, that the Council of Ministers consider over the next 2 weeks before they publish whatever the M.T.F.P. Addition may look like, there is an inconsistency within the Council of Ministers about how they approach their policies overall, not just in education, not just in health, not just in specific departments but in an overall context. The reason why I say that is because if we think back to the budget last year, this States Assembly agreed in the Budget 2016, because the Council of Ministers wanted a nicety alongside all the things that they were moving in the budget, an increase in childcare tax relief which is estimated to lose the States £100,000 in revenue. Then we have a proposal in a press statement from the Minister for Education stating we need to save £250,000 by means testing the Nursery Education Fund. So when you look at the tax system and how it does or does not work, you have to ask yourself when you are discussing these thresholds whether it is consistent and whether it is appropriate. So the one question I have had all the way along the line is: £75,000? Okay, that seems to a lot of people a lot of money but let us look at the tax system. The tax system, because of the way it works, the marginal relief system that we have in the Budget 2016, there is a specific line that shows that a couple with a mortgage and with only one child have to earn £106,000 before they pay an actual amount of 20 per cent tax. So then why are we setting the threshold at £75,000? No matter how many times I ask that question, whether it be of the Minister for Education, whether it be of the Minister for Treasury and Resources, whether it be of the Chief Minister, there is no sufficient answer as to how that is consistent or why is that the case. Okay, but then if we carry on looking at the Budget 2016 and consider that a lot of these people on £75,000 will highly likely, and especially from the evidence shown in the Scrutiny report, have a mortgage.

[12:15]

This States Assembly agreed to remove mortgage interest relief over the next 10 years. Those families will feel that impact in year 5, year 6. That is when it will really impact them. Okay, so it may not seem a great deal but a lot of those parents have come to the Scrutiny Panel and said to Scrutiny: “Look, you know, we understand the pressures and we understand the situation that the States are in. We pay taxes. You know, we work as hard as we can and support the economy and support our children and support our family. All we are asking is for that little bit back.” Just that little bit, just to assist them. Just that little bit. You have to have some sympathy for their argument. It is a difficult one when you do not have any evidence to support what is being proposed. So then it comes to the situation where I then sit down and I look at - this is me, on my own, not as part of the Scrutiny Panel - but then I sit down and I start asking the question: do we need to be doing both in terms of direct funding in nursery education funding and tax relief in terms of relief from paying tax through childcare? I do not know. I am sitting there thinking: “I get the

point in the direct funding” and why is that? Because 75 per cent of our working population in the Island pay on a previous-year basis. Okay, so you look at that on that basis, those people will not really feel the effects of that relief from the tax system through the childcare relief in that year, so the direct funding makes sense. I understand the situation that the Council of Ministers is in. I was there last year and, yes, there was a long sheet of lots of different things that were going to be reviewed. I specify the “review” because the Minister for Education did try at the Scrutiny hearing to say that I knew about this. I knew that they were reviewing the Nursery Education Fund, just to make that absolutely clear. There was no proposal at that time for the means testing at £75,000 or any other number, it was a review of the Nursery Education Fund. That is absolutely right that Ministers are reviewing everything within their remits to see whether it is the right thing to be providing for the public, whether it is the right way to move forward, whether the public should be spending their money in those ways. Absolutely, I have no problem with that. This particular proposition, as I said in the reference back, the wording causes me issues. Because it comes to this point where I am sitting here going: what the Minister is now saying ... because it is not a proposal, it is just in a press release. What the Minister is now saying appears - and I emphasise “appears” - more reasonable but I do not know the impact because all the questions I ask I do not get answers to. Why should I, as a States Member, who is here to represent the public, make a decision on non-information? That is the way I will approach it when the M.T.F.P. Addition comes. So there is a warning to the Ministers, if there is no impact analysis, if there is no understanding of consistency, if there is no looking between departments and how they approach across-departmental working and the questions that I ask are not answered, there will be no support from me. We will carry on as we are because it is not sufficient now to just play around with numbers, moving them from one area to another, without having a proper debate on what we believe in principle is right for the public. Because, unfortunately, the States, time and time again, all we focus on is that number. Humans are not numbers, they are humans. They are the ones that are working and feel it and see it on the ground and know how these policies, our policies, impact them on a daily basis. So when they come round and say something to us, we do not ignore them. We try to address it and we try to compromise and we try to find a way that is an appropriate way forward. I have not been convinced either on the press release that was sent out in March or the press release that was sent out on Monday by the Minister for Education that that is absolutely the way to go because there is no evidence to support in terms of means testing. Or there is no actual debate being had about whether we should be direct funding at all and whether we should focus on tax relief or whether we should take the tax relief away and just directly fund. Where is that debate? Why have we not had that discussion? Because surely that would be more appropriate because then you could take into consideration the way people have to live and deal with the circumstances that surround them. So when you are taking into account just the £75,000, when you are looking at this particular proposition, there are other decisions that we have made as a States Assembly that are going to directly impact those people. So, by changing this, there is an added impact and all I have asked is how does that impact? What will society look like in 2019? What will Jersey look like for those families in 2019? Just give me an idea. At least let me know, Ministers, you have considered it. I do not get that feeling, I do not get that impression, and that is the difficulty I have. Like I say, evidence-wise, do I or do I not support this? Because, like I say, in appearance the new proposal seems reasonable but then do we directly fund or do we use a tax relief system? I think the biggest nub of the whole issue is the equality argument that the Constable of St. Mary mentioned. I was with Education in 2011 when they brought forward the amendment to change nursery education in the primary schools to 20 hours to make it a level playing field right across private and public. There has been a public/private partnership about nurseries for a number of years and we were shown by people how important and how productive that has been. How important it has been. We have heard from people who have said: “The nightmare we have had to go through with planning to get our nursery up and running. The cost and the risk of doing that and then - bam - it

is taken away.” There is a huge risk now. We did that on the basis that the Council of Ministers brought in this policy; it was not that long ago that this policy was brought in. So then to not only consider turning that around but make it unequal again after only 5 years of making it equal seems absurd and it just frustrates me. This whole thing really frustrates me. I understand the Council of Ministers saying: “Let us have this debate in the M.T.F.P. Addition” but I have been here long enough to know what that might look like. I think that is the concern that sits with me is because I do not know what that is going to look like. I do not know what I am going to be asked to specifically do. If I am only asked to agree departmental limits, which is what is in the law, I am not asked to make those specific savings, I am informed of what the Ministers may do. So then there is a responsibility on all Back-Benchers to go through those particular savings and put in the proposition and amend it all. That is a huge task considering how long it has taken the Council of Ministers to get to there. So I am not sure how I am voting on this because the wording for me, it does not do the job. I want to assist in every way that I can. Nursery education funding is not statutory; tertiary education funding is not statutory. But the public, and the public who experience the issues that they are experiencing, outside forces that have placed issues on our finances, especially with regards to higher education, we need to find a solution that works in a reasonable way and I am not sure how we are going about this is reasonable because the evidence does not support at this present time because there is no sufficient evidence to help me make that final decision. So, on that basis, I hope the Council of Ministers have listened to what I have said, and hopefully understood what I have said. If not, I am on the end of the phone whenever they want to speak to me, if they ever do. So, on that basis, I will sit down and hopefully, as another Member said, the debate is like *Alice in Wonderland*, maybe the Mad Hatter will find a resolution for us.

1.3.12 Deputy K.L. Moore of St. Peter:

I would just like to set the record straight on the issue of the 1001 Days, if I may. The 1001 Critical Days manifesto is an agenda that is aimed at improving and ensuring that every parent has a strong bond and attachment with their infant. This agenda covers the period from conception to the age of 2, to the birthday when they turn 2. So when I pointed out to the Education and Home Affairs Scrutiny Panel Chairman that their criticism of the Minister in their conclusions in their very helpful Scrutiny report says it “is in direct conflict with 1001 Critical Days manifesto, which has been endorsed and supported by this Council of Ministers”, I do take slight issue with that because nursery education funding is concerned with the year when the child is now a child and not an infant and the year when it turns 5. This is a slightly semantic point because as the Council of Ministers, of course, we are absolutely committed to ensuring that every child in the Island has the very best start and, yes, our interests extend beyond 1001 Days to encompass all of the early years and I absolutely agree with the spirit of that. We have many points that I hope the Assembly will be very pleased to read of when we do publish the M.T.F.P. on 30th June because we will show our commitment to those early years and to 1001 Days in those proposals when they are lodged. There are some already underway which show our commitment once again. If I could just take a little moment of the Assembly’s time to remind them that the Early Years Childhood Partnership has a new chair and in fact it is the very same adviser that the Constable of St. Mary spoke so highly of earlier in her speech. We are very excited to see what work will come out of that group who are focusing their attention on early years and childhood and what we can do as a Council of Ministers and as an Assembly to enhance the chances of every young child in our Island. We are also looking at universal antenatal classes to ensure that every parent has an opportunity and is well equipped to welcome their infant into the world and live with them. We are also working on developing the perinatal pathway which is really at the core of 1001 Critical Days because ensuring that there is adequate support for parents and their infants in terms of mental health provision is absolutely critical to the work that we are focused and intent on completing. We have also been extremely lucky to enjoy the interest of the UBS Optimus Foundation who have funded a report

into early child development in the Island by a professor from the University of Aberdeen. In those conclusions that I think were published in 2014 the professor stated that urgent consideration should be given to ways to improve the experience of children in informal or illegal childcare provision. For me, this issue of introducing means testing to the nursery education years is absolutely critical to that point made in the report in 2014. Because by looking very hard at the way we spend money as a government and how we can remove some funding in order to be able to invest in improving provision in other areas where it is critically needed, I believe wholeheartedly in what the Minister for Education is trying to do and believe that this endorses our commitment to 1001 Days and to early years' provision. So, in short, by reprioritising we can make savings and invest in the right areas where it is needed and that this is one of those measures that goes some way to doing that. This Council of Ministers is sometimes criticised as being insensitive and uncaring. I hope that people will see in fact we are quite the reverse.

[12:30]

We are sensitive, a caring Council of Ministers, but we also have to use our heads and this is one of those occasions where we are certainly doing that. We have an ambitious plan and ambitious targets that have been set in the M.T.F.P. which we hope that the Assembly will be able to accept when we debate it in September. I hope that on this occasion the Assembly will join with us and support what we are trying to do by rejecting this proposition.

1.3.13 Deputy A.E. Pryke of Trinity:

I did not realise I would be so quick up but anyhow. Any service which any department offers needs to be targeted to people, families that really need it and, in this case, our children. As we all have said, education for all our children is vital, especially nursery education and especially the year before they enter school to get them school-ready. We do have a very good primary education and we need to ensure that it continues and improves so that every child reaches its full potential, especially those vulnerable children. The provision that the Minister wants to change does not remove or prevent any child from accessing nursery education. We know the birth rate is rising and demands for nursery provision would increase. As with all services, we must ensure funding is sustainable going forward. Mention has been made of that debate back in 2008 and I know it had to come back to the States a second time. There was much talk about how it would be funded long term. Perhaps at that time we could have been accused of being short-termist but it has come back and it has to be sustainable. This Council of Ministers wants to make sure that it is sustainable long term because we know that demand will increase over the years, as the number of children born increases. Work has been done and the structure is unsustainable going forward. So, the Minister here is doing the right thing, looking forward to ensure that children will still get nursery education. Again, long-term planning, not short term. But like any service it is essential the need to ensure that it is targeted, targeted to those who really need it, those who are vulnerable for whatever reason that might be and those families who cannot afford it. I have set up a nursery playgroup and, I must say, a very successful one for many years. As I look around the Assembly here, it makes me realise that perhaps I am a bit old. Because I can remember at that time setting up that nursery playgroup, mothers, fathers, we all paid for our nursery education, be it one day a week, be it 3 days a week, it was part of what we had to budget for. I know society has changed, we have all changed. There are more pressures on young families but, as a young mum then, there were pressures, different pressures, on that education too but I am not advocating going back to those times. Much has been said about being well aware of importance of nursery education. Private sector nursery education and States nursery complement each other. The private sector, a very good private sector, offer wrap-around care, education for children right from birth and after school, school holidays. They have adapted to modern societies. With wrap-around care, States nurseries cannot do that and so

that is why they complement each other. Nursery provision matches what happens in school. Most are free, some you pay for, some subsidised or fully, exactly what happens in nursery education. So whether 4 year-old or 5 year-old, in a school landscape is the same; it remains a parental choice and choice is important. It is a shame my colleague on my left is not here because he talked about a level playing field. There has been much call for a level playing field between private nurseries and States provisions and it sounds very simple and I know one at the Council of Ministers we had this great discussion about. But let us look what it would mean. What that would mean for a non-States nursery if you are really talking about a level playing field, that level playing field needs to be across the board. They would have to follow the exclusion policy, the same safeguarding policies but, more importantly, it would be expected to have a fully-trained teacher for that specific year group in each nursery. The Minister at this time is not going down that route despite the recent report. Parents have the choice. One size does not fit all; they complement each other. The Minister is doing the right thing, looking forward to ensure children whose families cannot afford it will still get that free nursery education. The Minister has mentioned 2 private schools wishing to come into the scheme. That is good but that again will put more pressure on the funding. Savings will still be made, approximately £100,000-odd, but importantly puts the provision on a sustainable footing for the future. Again, I make no bones, no apologies to saying this is long-term planning, not short-term planning. We know that the Ministers had discussions with various groups, parents, et cetera, and varied the threshold from £85,000 up to £100,000 and that is right. As it has been said, the chair of the independent childcare trust accepts that threshold and a much fairer approach. But she also goes on to say it is good news because more private nurseries want to start complementing the States nursery education. So, savings will be made, savings that can be put into pupil premium and for those, importantly, who are the most vulnerable in our society and it sets that funding long term into the future. The thresholds have changed. Are we saying the taxpayer should fund nursery provision for parents who earn over £1,000? Policy is targeted, targeted to fund these and children who really require it. Thank you.

Deputy J.A. Martin:

Can I ask the last speaker a point of clarification? I am not sure if she meant to say this or I did mishear her. She said if we want complete equity, private nurseries would have to follow States nurseries in every aspect and she mentioned they would have to be on board with safeguarding. Was the previous speaker saying that private nurseries are not in the same bracket when safeguarding issues are adopted?

The Deputy of Trinity:

No, I am sure they are though. Because, as you and I know, safeguarding was high priority, so I am sure they are. I know that schools are very risk-averse.

Deputy J.A. Martin:

I really want to push the speaker. The Minister for Housing, who was the former Minister for Health and Social Services, should know this, are they the same safeguarding issues applied across the board in private nurseries? The Minister said that I do know, and I thought I did know, so either the Minister was misleading the House or things have changed. I really want an answer. It is quite a worrying statement the Minister made.

The Bailiff:

Perhaps it is more a matter for the Minister for Education; after all, it is his responsibility.

Deputy J.A. Martin:

Well this Minister was the Minister for Health and Social Services for 6 years, so I thought she would know.

The Bailiff:

A very legitimate question but, Minister, can you clarify for the Assembly: are the standards of safeguarding the same in private and States nurseries?

Deputy R.G. Bryans:

Yes, Sir.

1.3.14 Deputy A.D. Lewis:

I think I need my glasses here because I definitely do not have a clear vision on this one at all. Some points have already been very well made but my understanding was when the instruction was made of the subsidy in the private sector it was simply because the policy that the Education Department came up with, and we all agreed here, was that the aim and the objective and the strategy was to provide nursery-style education for all; that was the strategy. But it became fairly clear fairly early on when the uptake was very positive and everybody wanted to take advantage of it, and I was one of those when my children were small, was that there were not enough places. So, in order to mitigate that, my understanding was that the subsidy was then provided so the private sector could then provide some of the places and they have done that very successfully. People have created very successful businesses out of this because they were providing more than just nursery education, they were providing after-school care and childcare which of course there is a subtle difference. Well a big difference between nursery education and childcare, they are 2 very different things. But these businesses established themselves as providing both and they have been very successful. I think they have been very unnerved by all of this and some of them, I believe, have even considered discontinuing trading and I think they were given a much more positive guidance by the Minister recently with his most recent statement. But nevertheless the policy was to provide nursery early years learning for everyone. The issue that I have here though is that I do believe that perhaps if it is going to be means tested then, hang on, what has happened to the policy of trying to provide nursery education, early years learning for everybody? It does not quite square the circle. I was very interested in the Deputy of St. John's comments about tax because, you have heard me say this in the Assembly before, I am concerned that people can earn up to £132,000 before they pay 20 per cent in tax. So we have a tax deficit we all know about and we would like to do more and more and more in education and health and other areas as well but you cannot do that if you have got so many people paying less than 20 per cent in tax that are earning £90,000 to £130,000. I do not know what the cohort of people in that bracket is but I imagine in Jersey it is quite large, so you cannot have it both ways. Are we going to give direct funding, are we going to give a tax break? At the moment we appear to be doing both and it is simply not sustainable, so there is a bigger policy issue here around tax than just the policy of providing early years learning. That policy has already been established. We have all agreed that that is what we should be doing and that is what we should continue to do and strive for. So really what the Minister for Education should be doing here is coming forward with an expansion on his policy which is providing early years learning for everyone, funded by the States, and establish where that funding is coming from, not the other way around, thinking: "Oh dear, I have made this policy judgment and now I cannot fund it; therefore, how do I do this? Will I do it through means testing? But, by the way, those who have already got a free place for early years learning, they can keep that and that will not be means tested." It is all a bit of a muddle and it really concerns me. So I think the fundamental issue for the Council of Ministers is: bring forward much more quickly a revision of the tax system. The marginal rate calculation has to go. I am fed up with hearing: "We cannot do it because the computer system is not in yet." **[Laughter]** I am sorry, the computer system that we currently have, I am told, can do it. It is a simpler system. Who understands the marginal rate other than probably us because we have been lectured by the Minister for Treasury and Resources on so many occasions by it? We know how it works, most people do not. We need to get rid of it and then you

can fund things like this because you can have a graduated system and, dare I say, you could even have a higher rate of tax at 22 per cent? It would not be the end of the world. But we cannot do it currently with the mess of a system that we have got and being told consistently we cannot do it until we get a new I.T. (Information Technology) system which, I am sorry, is a fairly poor excuse when you are talking about a simpler system than we have now. So I think the nub of the problem here is our tax system. We made a pledge to provide early years learning, we should stick to it. We have muddled it with an attempt to means test that element of it. It has been further muddled by providers in the private sector that provide more than early years learning, they also provide childcare, which is something different again. Now the Minister for Economic Development, Tourism, Sport and Culture here, if I could have his attention, should be conducting a study **[Interruption]** ... could be conducting a study as to how many people are in the workplace working probably part-time, predominantly probably women, how much contribution are they making to the economy if we did not have them in the economy working hard with their children in adequate childcare, where would the economy be? We do not have enough people working in the economy at the moment. If we disrupt that in any way at all, surely that has got to have a direct impact on the economy.

[12:45]

But we do not know what the answer to that is. The reason why we do not know the answer, I believe, is because although there has been a call for the Minister for Education to do a study here and give us more information as to what the impact would be, well the saving was only going to be £250,000. I say "only", it is a lot of money to some people, but in the size of the £700 million budget it is small. That is going to be even less now because he has proposed, I think quite a good proposal, to means test it at a higher rate, so there is even less money coming in. If you did a full study on this, your study would cost you more than the saving, so this is probably why he is not doing a full study. It is more than just a study from the Education Department's perspective, it is a study from the Minister for Economic Development, Tourism, Sport and Culture. Where is the real impact here on people with children having to work either part time or full time that need childcare? We do not know the answer to that. I think the Council of Ministers collectively: Treasury, Education, E.D.D. (Economic Development Department) should be looking at that and doing a proper study as to what impact working people that have children, that struggle with childcare, what it really will cost the economy if they were not working in the economy, and that is a bigger story. So as far as this proposition is concerned - and I am mindful of the time, and I am sure people want to have a break; we are coming up to the recess - but currently we provide 32 weeks of cover for nursery care and early years learning. That is not childcare. We provide that free for those that manage to get on the list. The others are a lottery. Now, I am sorry, if you have got a policy it should not be a lottery to access it and this is the fundamental problem with the system. So, this whole muddle of a debate which started with a reference back is no straighter now than it is when we started it and it is because we do not have enough money. All the Minister for Education was trying to do was try and work that one out but in doing so he dug himself a bigger hole, which is unfortunate because I think the best intentions were there. When we come to the M.T.F.P. debate I do hope that we have a further debate about this issue of funding and tax because this will happen again and again with other issues that are really important to the people that we represent. It will be lack of funding that will prevent it, and this is one of them. So until you change the tax system, until you get that balance right, you are going to have debate after debate like this because Ministers will have to come back and make changes to their budget to accommodate things like this and that is where the problem lies in the tax system. So I am afraid for today because the Minister and the department in the past has committed themselves to this and

said: “Early years learning for all”, we should stay with that therefore, I will be supporting the proposition. Thank you.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

It is proposed the States stand adjourned until ... sorry.

Deputy R.G. Bryans:

If I could just mention, I did manage to cancel the presentation today but I did not manage to cancel the sandwiches, so my message to Members is: please help yourself.

The Bailiff:

The States stand adjourned until 2.15 p.m.

[12:48]

LUNCHEON ADJOURNMENT

[14:15]

The Greffier of the States (in the Chair):

We resume the debate on Deputy Tadier’s proposition on nursery funding. I am not sure my microphone screen is working again so please press your lights and make sure I can see them. If any Member wishes to speak on the proposition?

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

I do not know whether any other Members feel the same as me, but I have to confess I am somewhat confused with the proceedings this morning. However, a lot has been said, and very well said, by many Members of this Assembly. I would just like to try and distil things down. This debate should be about our principles on this matter as an Assembly, as an Island and as a society. The importance of early years’ education and nursery education we, as an Assembly, have already committed to. I think we are all agreed that these are very, very important times for the development of a young child. We have heard about the arguments about means testing nursery education funding. Well means testing already occurs in many other areas of legislation. The question is, and I think we are all asking the question, is £75,000 household income high enough? No, I do not believe it is. While for some people this is an exceptionally high figure, when you take into account the actual cost of living, cost of housing, when you are talking about a household income of £75,000 it is not that high. So if we are going to support the early years and nursery education we need to look at a higher level. We then got on to the question of, if you want to call it, private versus States nurseries. Looking at the recommendations, if you want to call it that, put forward by the Minister for Education there would appear to be in his proposals active discrimination against private nurseries. Now how can that be? We have already agreed that nursery education is very important. We know that the States cannot provide the number of spaces required at present, and yet he appears to be looking to discriminate against private nurseries. That is neither equitable nor sensible. I would suggest to the owners of private nurseries that possibly a route is to refer it to the competition regulator as an abuse of a monopolistic status by the state. But moving on. We have heard a number of ... we have read, should I say, a number of statements and press releases by the Minister. Yet my question in my mind is why did he make those statements. Because all of the statements, the savings, all the changes, relate to the M.T.F.P. additions that are due to be lodged on 30th June, of which we have no real idea what they are going to contain. This is one small part of the Education budget. There may be other areas that we are unaware of that counterbalance this. I would question his sense in coming out so early with this sort of declaration.

It also seems to be that the Minister seems to lack any real vision or understanding of these statements he is making, the effect they will have. He seems to change his mind depending on the state of the tide as opposed to any real evidence that we are seeing because that is what it boils down to. There is no evidence to support it. However, we then come to the actual proposition in front of us. This is where, unfortunately, I do have a problem. Aside from the fact that the proposition itself states that the States Assembly shall request - which is unfortunate that we cannot use the word "require" but that is another argument for another day perhaps - it means that the States Assembly are going to request the Minister, and I am just reading the amendment here, because I am confused. I do not know whether anybody else is. But: "To cut the provision of free nursery hours to those earning a combined income of over £75,000 a year." We are aware from the press release made by the Minister he already intends to raise the level at which means testing takes place. So by voting for this proposition are we, as an Assembly, going to request the Minister to lower the level at which means testing will take place, because, as we all know, for a Minister not to acquiesce to a request from the States Assembly could be looked upon as political suicide. So are we coming at this the wrong way round? Are we giving the Minister the option to lower the level at which means testing starts taking place? As I said, I remain confused. I am a big supporter of early years and nursery education. I believe that means testing does have a place because we are aware that we have limited resources therefore they need to be directed to the best possible area. I do not believe £75,000 is high enough. So you might think that I am going to come out and support this proposition. The problem is I cannot. The reason I cannot is for the reasons I have just set out. I do not believe the proposition, as amended, laid before this Assembly, is the right one. I would suggest that the right place for this debate is going to be at the time we debate the M.T.F.P. addition. We are all aware there is a huge amount of work that goes on among Scrutiny Panels, Back-Benchers and the debates will probably go on for a long time. But that does not mean we should not raise it at that point. But what I do hope is that this debate and all of the very coherent and very sensible arguments put forward so far will give direction to the Minister, that he will listen and that he will come back with a sensible, workable, equitable and fair solution to the funding problem.

1.3.16 Deputy C.F. Labey of Grouville:

There are some points that the Deputy has just made that I had jotted down as well. But I just want the electorate to know and understand where I am coming from with this proposition because I, too, like many Members, are extremely confused. I could have supported the original proposition which Deputy Tadier laid before us but since it has been amended, which suggests that if you vote for it you are against means testing, I cannot agree to that either. But I most certainly do not agree with what the Minister for Education is proposing. So where does that leave us? I am in the position of almost thinking that I might have to abstain, which I think in 14 years I have done probably twice. I really do not know what to do on this one. But there are some points that I would like to make. I am very concerned with the proposals that the latest press release proposed. £85,000: I have not seen, like everyone else here, any analysis behind this figure plucked out of thin air, graduating. I need far more details on that and I still think it is far too low. But what concerns me enormously is the inequity between the States offering States nurseries 3 places and the private sector you have to pay. I have serious concerns about that and if, as was alluded to with the last speaker, I think this is a matter for C.I.C.R.A. (Channel Islands Competition and Regulatory Authorities). How can the States prop up or offer 3 places, care of the taxpayer, to anyone that puts their child in a States-run organisation yet the private sector do not get that facility. There is something wrong with that and I am very concerned with the Deputy of Trinity's speech before lunch about the safeguarding and the same offering is not available in the private sector, the same standards, safeguarding, the exclusion, and the trained teachers. I think I am going to have to abstain because I do not agree with anything that has been put before us. The only thing that would

err me on the side of voting with Deputy Tadier would be to stop Deputy Bryans, the Minister for Education, pursuing his latest proposal.

1.3.17 Deputy M.J. Norton of St. Brelade:

I agree in part with much of what has been said from the previous speaker and indeed from Deputy Brée. At this point I would like to just draw Members' attention to the excellent and good work of a charity, a trust, that has been quoted from Deputy Bryans' press release, the Jersey Childcare Trust. Some Members may be aware of their excellent work. The Trust is a charity independent of Government working for families in Jersey. It was set up in 1997 as a Jersey childcare charity to promote high quality, affordable, childcare for all. They provide information services on childcare providers, families and other professionals. Now research tells them just how important it is for children to be able to access quality childcare services for the earliest years. They do that with the aim that it should be there for all of Jersey. Their objectives include, and there is a long list but I will keep it fairly short: to promote quality childcare and engage parents in the process. I was therefore heartened to hear that they have supported the sliding scale of thresholds that have been put forward by the Minister for Education. It assured me more than where I was previous to that. A previous speaker said: "How did they know? How do they know the figures? How did they know it was going to be £85,000 going up to £100,000? How come they reacted so quickly?" In March this year the Jersey Childcare Trust ... and you may have noticed I have been in and out of the Assembly this morning. That is because I have been engaging with the Jersey Childcare Trust first-hand to find out what they thought. I heard what the Minister had to say but I wanted to know from them. In March this year the Jersey Childcare Trust held focus groups. They held them in the morning, at lunchtime, in the evening. Focus groups. They held them with various parents and experts and groups. They had some very informed discussion no doubt. It ranged from what they described as the falling birth rate and all in between, right up to affordable childcare. They noted all of the feedback that came from that. Where they had that feedback, back in March, going into April, and once they knew of the £75,000 threshold, they were in touch with the Minister and they recommended to the Minister from their focus groups and from their feedback, and from the parents that they had spoken to - and they are at the coalface so they do know - the Jersey Childcare Trust asked for the sliding scale as a response to the original £75,000 means testing.

[14:30]

That is why they know. Because from their focus groups in March, where they spoke to a lot of parents, they spoke to the Minister for Education. It may come as a bit of a shock to some people, but the Minister for Education listened to the Jersey Childcare Trust. Do we have a universal offering right now? No. In main we do but there are schools and there are nurseries that are not registered for receiving free childcare places, so it is not universal at the moment. So what do the Jersey Childcare Trust think of the nursery provisions on the market right now? I have asked them that question this morning. They say there is and there has been a flood to the market of new nurseries, some of whom - and some may not like this - have been taking advantage of the funding available to them. So I have asked: "Where is the main noise of protest coming from to these new proposals?" According to those that I have spoken to, including the Jersey Childcare Trust, that main noise of protest is not coming from the parents when we talk about a sliding scale. It is coming, understandably, from some of those businesses that have set up and will feel the pain inevitably. For the benefit of those that may not have read much on the website of the Jersey Childcare Trust, it is a charity independent of Government, working for families in Jersey. The work of the Trust is governed by a board of trustees who ensure that everything they do meets with the objectives set out in their constitution. I felt it was worth mentioning something about the Trust because they have been mentioned and implicated and brought into this debate as supporting it.

Just in case you were wondering, they are there for the very reason that we are talking about. They are supporting that sliding scale. There are many other facets to this debate that have been covered many times over but I hope that that information may assist Members.

1.3.18 Connétable S.W. Pallett of St. Brelade:

I am aware that obviously this debate has gone on for some considerable time so I will try to be reasonably ... not go over our comments that have been made by the Minister and the Assistant Minister. The Constable of St. John mentioned that this is a really small part of a bigger picture and he is absolutely right. We do not have the rest of that picture. I think from an Education point of view there are other issues I think that will come up within the M.T.F.P. 2 addition, that would have been best to have debated this together rather than as a one-off, but we are where we are and it is wrong now to start thinking that we can go any other way. The department itself clearly has to make savings. The Minister has recognised that and the department has recognised that. Those types of savings are going to be very difficult and I think there have been some very, very difficult choices to make. What we have tried to do, I think the department has tried to do, is limit that impact as much as it can and try to make sure that we are looking at the fairest possible ways of providing support with the money that is available. But it is part of a bigger vision for Education. Clearly, children from disadvantaged and less affluent backgrounds are most at risk of underachieving at school. I think that speaks for itself. I think the Minister and the department have been looking for some time to raise standards and that work is currently ongoing. Part of that is going to be the Jersey Pupil Premium. I think that is going to be introduced and that will give extra help to those that are maybe a little less capable at school. The Minister for Education believes this is urgent and overdue. U.K. schools have been doing it for some considerable time. Interesting point that Deputy Brée made around the Minister where he said that the Minister lacked vision. If there is one thing I can say about the Minister, he does not lack vision and he certainly does not lack compassion. He has got that in spade loads and it has been a joy to work round him, and some of the thoughts he has. But we have to be realistic. The current N.E.F., it is not sustainable in its current form in terms of the funding that is available. It is no longer possible to provide N.E.F. funding to all families, irrespective of their income. I think the department realise that and it has to make some changes to that. What it is trying to do is target the available funds by introducing a means test. Means tests are emotive. We are aware of that but nevertheless I think the department wants to target those children that are most in need. The threshold that was set was £75,000. That has been reviewed. I think the Minister has listened to the public. He has also listened to, I think, some political criticism that he has received as well. He has raised that. He has put a sliding scale in that has raised those threshold levels to a level, I think, a lot of public would find acceptable. When you are going up to £100,000, and I realise some of the arguments put forward, certainly by the Constable of St. Mary around about the figures if you have got a mortgage and the sort of levels you would need to cover that, £100,000 plus. But I think to most people on the street £100,000 is an awfully large income, whether we want to believe that or not. It is, I think, the levels that we have set or looking to put forward are reasonable. The average income in Jersey, again you can read these figures however you want to read them, is £48,000. The medium household income for families with at least one child under 5 is £53,000. So these thresholds are set well above that. We are still going to be spending £1.3 million on the N.E.F. every year. That is a great deal of money to be putting into private nursery funding. I think one of the things the department has been criticised for was the timing. But I think what we need to realise is that none of these changes will happen until September 2017. Education, the Minister and the Director, were conscious that clearly parents have to make choices well in advance. They have to make decisions well in advance and I think the whole idea of telling parents that may be affected early was to give them an opportunity to prepare next year. States nursery places ... sorry, before I get on to that. One of the issues that has been brought up, I think, by several Members is the means testing and the

cost of that. It has been mentioned in the past that there would be a cost to that and that might offset any savings. The department, I think, is clear in its thinking that that will be carried out by the existing student finance team, if I am not incorrect. So it will be carried out in-house so any savings will be real savings. States nursery places will remain free to families and there will be extra places made available in new classes. I think that is a really positive thing to do. It is something that will provide more choice and more opportunity. The removal of a universal benefit, as much as people might think this is the first time, it is not the first time. We have already made decisions in the past around other emotive issues like T.V. (television) licences and the Christmas bonus, around taking away that universal benefit, but they are difficult decisions to make. This is yet another difficult decision the department has had to make, among others that will come out in the M.T.F.P. 2 and will give the likes of the Constable of St. John an opportunity to look at it as a package. Most nursery education in the Island is free. Nursery classes in primary schools, I have seen them, I visited them. The job that the staff do are excellent. But there are other choices. There are private independent nursery classes, again, that gives people choice and I think it is good that the public have got the choice and parents have got choice. Each are different. Each fulfil the needs of parents in different ways and I think we have to maintain that, and again through the funding that we have currently got, we want to carry on maintaining that type of choice. I think the Minister, whether Members like it or not, I think has listened to the public. I think he has listened to what ... the thresholds that he set and he has gone about trying to amend them in a way that is not only sustainable but is also of a benefit to those parents that may be affected. Whether you want to call it a U-turn or not I think the income levels are now more realistic with a sliding scale up to £100,000. It is clearly more generous and I think it will clearly offer support for people up to a higher level of earnings. Again, I will say means testing is emotive but there are severe financial pressures on all departments, not just Education. Again, we will see that, not too long now on 30th June, the amount of pressures on all sorts of departments. Something that I am personally involved with is the Sports Department. There are going to be pressures on the Sports Department. There are savings that will need to be made but they will not be £3.4 million worth of savings but they will nevertheless have to be savings made in a department like sport. Education is no different. Ensuring that the less privileged in society are supported I think is really important. The fact that we are targeting the levels of funds available I think is important. It may not be perfect but I think it is the right way forward and I think it is the fairest way forward. I cannot remember when I was bringing up my children, it seems so long ago now, I seem to have aged over the years. But, nevertheless, I think bringing up children now is extremely expensive and Jersey was expensive when I was a parent - I am still a parent - a parent having to pay for things on a regular basis. But nevertheless, it is expensive and I think the department realises that in the action it is taking. But again, I think we really have to get our minds around it is important that we look after those most in need. It is something I think that comes across on a regular basis from Deputy Tadier, Deputy Southern, about making sure we look after those most in need, and I think that is what the Minister has been looking to do. There is potential for choice and I think rightly so. Capacity is crucial. The department will be adding new nursery classes to the Island. That will remain free to all who attend those classes and that, I think, is going to be very important in providing choice moving forward. But there are difficult choices. If we do not make these choices within the department, we will have to make other choices that may be equally difficult or even more difficult. One of the things that I will say, and it may not be completely comfortable for the Minister, but I will say it, is that the communication of these proposals could have been better. I think we have to accept that. I think the timing could have been better and the way it was put across. In terms of the Scrutiny Panel, from somebody that chaired the Scrutiny Panel, it is important that there is 2-way communication between the department and the Scrutiny Panel. If that was not right or it was undermined that is unfortunate because that should not happen. There should be more respect. There needs to be respect for Scrutiny because they have got a really important ... the report was

really good. It brings up a lot of really important points. Sometimes the timing has got to be better. If the department has got that wrong or as a ministerial team that has not been quite right, then probably as my ... this will be my outgoing speech as Assistant Minister, I can say that I am sorry for that. But that is something we can improve more moving forward. It must be really disappointing, I think, for a Panel to find out things have changed overnight or within a few days. But nevertheless, do I think the proposals are right? Yes, I do think they are right. It is important, moving forward, that we try to do the best we can with the money we have. I would make a few comments about the conclusions that the Panel reached. Some of them I agree with, some of them I do not. I think it is quite a strong comment to make to say it is not in the best interests of children. That might suggest all children. Clearly there is a very small proportion of children that will be affected by these particular cuts or these particular changes. If it is providing or it is going to give an opportunity for those that are less privileged to access nursery funding then clearly that, I think, is in the best interests of children in general.

[14:45]

But, nevertheless, there will always be losers when you make changes to any type of grant funding, irrespective of what department it is or what type of grant funding it is. But I think this is in the best interest of children in general. There are comments in here - and I think the Chief Minister said this morning - in terms of direct conflict with the 1001 Critical Days manifesto. Again, I think the Chief Minister has made it quite clear, we do not know what is in the M.T.F.P. because we have not got to the point where we have brought those proposals forward. But there may well be some good news in the M.T.F.P. around that, but that is why it would have been good to have the debate about the whole package, not just picking off parts of it or a part of it like we have today. There is significant investment into education but the Education Department, like all departments, clearly has to play its part in meeting budget requirements and meeting what has been a shortfall in funding. We have to accept that and if we get to a point where this is not going to be accepted, that for Members making changes to nursery funding is not acceptable, then we will have to make some other difficult decisions elsewhere because there is no new money. I know from my small connection or involvement with planning in terms of financial planning within departments, there is no extra money. Again, I cannot stress enough some of the difficult decisions we have had to make in Economic Development, some of the difficult decisions and discussions we have had around the table at Education. They are all difficult decisions and this is just one of them. I have not really got anything more to add other than I just hope people can look at this in a balanced way. It is not a perfect world, we do not live in a perfect world and sometimes you have got to make decisions that are uncomfortable. This will affect those earning, as we have said, £85,000 and above, but I think most people that I speak to around the Parish realise that is quite a considerable income. I have taken the arguments around if you have a mortgage, 2 children at school and all the other issues, that that may not be as high as maybe some people think. But I think it is set right, I think the Minister thinks it is set right, I think the department thinks it is set right, and I support that. So, again, I would urge Members not to support this proposition.

Deputy J.A.N. Le Fondré:

Sir, may I seek a point of clarification from the last speaker?

The Bailiff:

Very well.

Deputy J.A.N. Le Fondré:

The Assistant Minister twice said that there were more places available in new classes ...

The Connétable of Brelade:

Sorry, will be.

Deputy J.A.N. Le Fondré:

Okay, there will be more places available in new classes. The clarifications I would like to seek are - particularly when he has said there is no new money - is at what cost, and could he just clarify because to me are we not just making it more expensive in the private sector and cheaper in the public sector? Are not just having inequality again between private and public? Because effectively the speaker said there will be more places available in the public sector; that cannot come at a free cost.

The Connétable of St. Brelade:

There have been plans for some time to increase the number of places for nurse education and they have been in the pipeline for some considerable time and the funding has been available within department budgets. I have not got the budgets with me, I cannot answer where the funding is specifically coming from, but it has been a long term aim to increase the number of nursery places. I am quite happy to get back to the Deputy in regards to where that funding is coming from but these are plans that we have discussed over some considerable time about increasing the numbers. It is not just around the fact that the thresholds have changed and we are looking to make savings. Those plans have been in the pipeline for some considerable time.

Deputy J.A.N. Le Fondré:

If the Minister could send that information I would be appreciative, thank you.

1.3.19 Deputy S.Y. Mézec:

Many of the statements that have been made so far in this debate have been on the basis of principle and, regardless of which particular scheme we may or may not be discussing, what do we believe about the principle of what is being done to free universal access to nurse places. So before I get into the crux of what I want to say I want to explain the principles that underlie my own political philosophy and, therefore, how I come about forming my view on this particular issue. My philosophy when it comes to democracy and government is that it is the role of democratic governments to work in partnership with their citizens to create a society and an environment in which every single person is capable of achieving their potential, irrespective of their background, be it their race, their religion, their sexual orientation, disability, but most importantly their social class. I believe that there should be a strong safety net to protect the most vulnerable, and that those with the broadest shoulders should carry the burden. To put that in one sentence it would be that I believe that each should contribute according to their ability and receive according to their need. There are different words that would be used to describe that political philosophy, some would call it a form of progressive liberalism, some would call it social democracy or democratic socialism, but it all comes under the broad political umbrella of being on the progressive part of the political spectrum. The Minister for Education in his speech I think attempted to hijack what it means to be a progressive and extolled the virtues of means testing as if these 2 things are somehow synonymous. Well, I am opposing what the Minister is trying to do and supporting Deputy Tadier's proposition, specifically because I think this measure is regressive and I think because it is inequitable. There is nothing regressive about universal benefits; they exist everywhere within our system. Take roads as admittedly a little bit of a ridiculous example but I think it makes the point, roads are the responsibility of the States to build and maintain, they are paid for out of tax, and everybody has equal access to use those roads regardless of their place in society, whether they are a young person who has never paid a penny of tax in their life, whether they are pensioner who has paid lots of tax, whether they are rich or poor. We do not say we are going to introduce a system where the wealthiest people in society are entitled to drive maybe 200 miles a week free but then

they must pay for every mile they drive afterwards because that would obviously be a completely impractical way of funding the maintenance we need to create and maintain our roads. You could end up unfairly charging people who are just at the threshold at which that charge comes in who drive a lot, and then have multimillionaires ... I see the Chief Minister pointing to the Minister for Infrastructure, I hope I am not giving them ideas. **[Laughter]** I did say this was a pretty ridiculous situation and so of course I am worried that they may steal that idea. In fact, the Minister for Education has come up with this idea first because that is essentially what this is. It is regressive to treat every single family which is on a particular income exactly the same irrespective of their circumstances. A family which is on £85,000 but which has 4 children and perhaps may have elderly, perhaps even disabled or ill grandparents who they look after, is going to be much worse off than a family which is also on £85,000 a year which just has one child and has wealthy grandparents who may have even helped them buy their own property outright so they do not have a mortgage. So to treat families exactly the same just because of that one single criterion when there is a whole bunch of other circumstances that will need to be taken into account of whether they are well off or not, is completely regressive. There is one fool proof way that I believe you can have a progressive form of means testing that gets the job done and it is called income tax. The contribution that everybody pays in income tax is based on their personal circumstances. The wealthier they are when they hit ...

Senator I.J. Gorst:

Would the Deputy like to give way?

Deputy S.Y. Mézec:

I will give way.

Senator I.J. Gorst:

Could he clarify to Members how the 2 scenarios differ? When it comes to the family earning £85,000 they apply the appropriate rate of income tax, as does the other family who might have parents who have not helped them. The differential he is talking about refers to both mechanisms.

Deputy S.Y. Mézec:

I am grateful for that intervention by the Chief Minister because it is what I intend to go through right now anyway, which is always very nice to know that you do not have to deviate from your script. It is not a script, it is more notes, but anyway. Yes, the contribution that people make in terms of income tax is based on their ability to pay because when you hit a certain point in your income - and that will be different for everyone - you will then go on to your 20 per cent rate and before that there is marginal relief which has allowances. The more children you have, or whether you have got a child at university, that will determine how much tax you pay so 2 people on exactly the same income but with different family circumstances will contribute different amounts of tax. That is essentially a form of means testing, it is progressive and it gets the job done. It is a tool which is used all around the world, governments will look at their income tax system and alter it depending on what circumstances their economy is facing or what extra needs they have in public services they need to fund, and will try and do it in a way which is fair; where those who are able to contribute the most do and those who are not able to contribute are given some sort of allowance to help them get by without reducing their right to the essential public services that they rely on. I can comfortably say that and I can comfortably say that all of this, including the proposition put forward by Deputy Tadier, is completely in line with the manifesto that I stood on and which I shared with Deputy Southern and Deputy Tadier, which said that we accepted that there was a difficult financial situation facing the States of Jersey and we said we absolutely will support real efficiencies to deliver services cheaper. But also we believed that you would not find the entirety of that savings just by making efficiencies, you would have to raise revenue somehow and we said

we would like that to be by the wealthiest people in the Island contributing more in income tax. We suggested it being a 25 per cent rate on income above £100,000 but there are other ways of doing it as well that would be acceptable. The frustrating thing about that point is that it was ultimately the same as what the Council of Ministers have ended up proposing. They too have recognised that you cannot balance the books by simply cutting back on public services or finding efficiencies. They too accept that there will have to be more tax. They just call it something different, they call it user pays charges, they call it waste disposal charge when it is a waste disposal tax, let us be frank about it. They call it a health charge, it is a health tax. So the point I make is that Jersey does not have a 20 per cent rate of income tax anymore, to all intents and purposes. When you put on these extra taxes, whether it is the long term charge, whether it is going to be the health tax or what have you, we end up in a situation where they are finding other ways to get more revenue into the bucket from which they will then fund public services, but are doing it in such a convoluted way that it is creating more bureaucracy. It is creating more aggravation, and we are ending up in a situation where people like those that are the subject of this particular proposition have to face losing their right to access public services which they have paid for because it is middle Jersey that contributes a substantially large amount of tax whereas those on lower incomes do not - and that causes resentment to a lot of these people. There are a huge number of people who are in that middle income bracket who do not mind paying tax, they believe tax is ... I was going to use the phrase "necessary evil" but I think that is the wrong phrase. Tax is a good thing because it allows us to be a civilised society by building these public services that we rely on. I can perfectly well understand the resentment that many people have when they feel like they are paying very large amounts of tax but are not getting the access to public services that people who are paying virtually no tax do and who, in fairness, need the access to that public service but they feel that resentment. But they would not feel that resentment, even if they were asked to pay a bit extra tax, so long as they were getting that access to those public services as well. So I think there is a perfectly consistent progressive reason for opposing means testing access to nursery places for children and I think the fact it is about children is the most important point because there is no such thing as a rich child or a poor child, it is the family. I believe children should not be treated in any discriminatory way because of their own background and they should have equal access on the same basis as any other child. But there are perfectly good conservative reasons for opposing this as well and it is because it involves creating new bureaucracy, it costs money to implement it, and it requires more interaction with the organs of the State, less independence from people and less liberty. So there is both an entirely intellectually consistent progressive reason for opposing this change and an intellectually consistent conservative reason for opposing this.

[15:00]

On that point about bureaucracy, the criteria this is based on - whether we are talking about the original £75,000 a year proposal or the new £85,000 a year proposal - that does not apply to anything else. It seems to me to simply be plucked out of thin air. It has not been weighed up against the other extra taxes, cuts and charges that these people will be facing. There is no impact assessment, nothing even resembling an impact assessment on this. So we are creating new bureaucracy, more cost, for something that we do not really know what saving it is going to make. Where Deputy Southern previously brought forward a proposition which included means testing was with the pensioner's Christmas bonus where we originally believed it should remain universal to all pensioners and we attempted to save it. We did not win that vote so the compromised position was then to go to a means tested one. If I remember rightly Deputy Southern used the same criteria that exists for other benefits for pensioners which is whether or not they pay tax. So in terms of creating bureaucracy to administer the new means testing, it pretty much did not exist. So if you are going to go for means testing that is the sensible way you do it, not by simply drafting

something entirely new out of thin air. If we want to be in a situation where we are able to fund our public services properly, where we are able to maintain the high standard of public services without cutting, where we are able to invest without having to take away money from other services, ultimately we simply have to look at the entire tax and spend model. The Government accepts that, it is just doing it in a very convoluted and I would say unfair way. So if the Government needs more revenue to fund investment and public services it is simply going to have to look at the tax model and it is as simple as that. Otherwise we are going to just end up in a situation - and this is the beginning of it - where the Government wants to fund better services like Pupil Premium, and I completely support the principles of Pupil Premium, it is an absolutely fantastic idea and will make a difference to people's lives, especially people who have poor families or families that face challenging circumstances; that is certainly a good thing. But they want to do it by asking other people to face a reduction in their services. Surely we are smarter than that and better than that and are able to have public services where we simply do not say: "Right, you are simply going to have to do without that, even though it is an important public service, and so we are going to spend it for that." We are much better than that and if we look at our tax system there is no reason that we cannot move to that. So I want to then speak about the actual Scrutiny report, page 41, 14.5. I have just been handed a note which I am not going to use, it is a good idea but I am not going to use it. Yes, 14.5 on page 41 of the Scrutiny Panel has got 6 bullet points in its conclusion about why the Panel rejected the Minister's proposal to introduce means testing for these nursery places. I think those 6 bullet points still stand, regardless of whether it is the £75,000 threshold or the £85,000 threshold. The first bullet point is that this is a policy which is in conflict with the Strategic Plan. There has been debate back and forth about whether it is or is not in line with the 1001 Days manifesto. When we challenged the Minister for Education on this in the Scrutiny public hearing he revealed that he had not made any communications at that point with the 1001 Days taskforce to get an official view from them. Senator Bailhache made a point against the Scrutiny Panel in his speech, and I think it was also slightly echoed by the Constable of St. Brelade, who said it was unfair to claim that this move is not in the child's best interests. Well, anybody who knows anything about Scrutiny knows that we take an objective, evidence-based approach to things and we did not pull that out of thin air. The person whose advice we took to come to that conclusion was the Minister for Education who said it himself in the public hearing on this subject. So it was the Minister for Education who in this hearing was forced to admit that this change is not in the best interests of children. The next bullet point says that we are in danger of moving early years' policy in a different direction to the United Kingdom. That is still true. They are looking at improving access, we are looking at making it worse. The next bullet point, they have made inadequate communication and consultation with stakeholders, parents, or other interested parties and is effectively prepared to disadvantage some children, 70 to 100, using his own figures to save money. I do not think anybody in this Assembly would contradict that first point that there has been completely inadequate communication and consultation on this. That was one point that was made to us very loudly in the Scrutiny report and I found having to come to the Assembly on Tuesday morning anticipating the debate on this soon, after getting the information about the new proposal the day before I thought was quite out of order and I think that absolutely should not have been done because it has made this debate difficult to have when we should have just been able to have a black and white debate on the principle of this and whether we wanted to go through it. That was not on, in my view. He also said that this would affect between 70 or 100 children. I do not accept those figures, I think those figures are flawed because they are based on looking at one year. No, if this policy exists for decades it will affect thousands and thousands of children. You do not look at it for just one year. Every family has the capacity at some point, for whatever changing circumstances, to see their income go up so that they then come into this, and you may have families who deliberately choose to reduce their income because they see themselves as being better off. I mean, fancy that, a Government which to all intents and purposes is a conservative

Government, taking back what is an in-work benefit. It is a pro-work benefit. They are putting forward a measure which will encourage people not to work as hard. How can that possibly be right? Whether you are a conservative or a progressive, surely we must agree that that must be the wrong thing to do. The next bullet point says that the Minister is apparently prepared to negatively impact the number of families for a relatively small saving. Well, the point has to be made - and on Monday when we got the new press release I did ask this question and have had no response since then - is his new proposals, we have not got the faintest clue how much they are going to save because there has been no estimate that is given to us, so I do not know if the department does or does not have that information. I would hope that if it does have it, it would have included this so that we could have had a more informed debate today. That just makes me think that this is being done simply for the sake of it. There does not appear to be any logic behind it. The amount being saved in the grand scheme of things is peanuts and we do not know how much it is going to save so why are we so intent on going forward with it. It seems bizarre. The next point is that this is a policy which is at odds with previous decisions of the States. Now, when I looked back at the previous decisions the States had made on this and why they introduced this in the first place, they said it was being introduced because it was good for children to be in an environment at nursery where they are around other children and interacting with them, who are from a variety of different backgrounds, it is good for their personal development, it is good for their emotional development. What I worry is that this is the first step - and this is something that was echoed to me by some people who work for the private nurseries who I spoke to - is that there was a view that this could potentially be the first step in the direction of making the gap between public and private much wider and ultimately end up in a situation where there is not really much of a private sector for nursery care, apart from a situation at the end where there will just be a small number of private nurseries only for children whose families are very, very rich. Do we really want to go down a system that we have now which is inclusive and where children from different backgrounds get to socialise with each other to one where you will have the majority of children in one form of nursery and a small number in something that will end up being incredibly elitist where they will not have any understanding of children who are from a different background. I do not think in the long term that will be good for Jersey's society and it goes back to the point I made before about this feeling like it just pits poor people against middle class people and middle class people against rich people when we should all just be working to make a society that works for everyone, not just a very small number of people at the top. The last bullet point says that the Minister failed to illustrate in the 2016 M.T.F.P. that the additional funding for the £1.2 million for Pupil Premium and £700,000 for S.E.N. (Special Educational Needs) children was insufficient, that he would be taking funding from other areas to complete those plans. Again, that fits in with what I said where we are now seeing a position where we are reducing funding in services to fund investment in other services, when who knows in a few years' time we may see the impact of those reduced services and realise it ended up being totally counterproductive. If we are going to make investments we should do it properly and that means raising the revenue to do it without having to steal essentially from other people to do it. We all do it by paying into a progressive tax system, which is what it is there for. I think that model has been shown to be very effective when it has been implemented in other countries, take Scandinavia for example which has a lot of universal benefits which everybody is entitled to. They do accept that to get into that situation they have to pay more tax and, guess what, they also happen to be the happiest countries in the world by all of these measures. I think Denmark is considered the number one happiest place and that is a place that has got terrible weather and they are still all really happy so they must have really good public services. Imagine what we could be with our fantastic weather and beaches and good public services, we could be top of that list ahead of Denmark, you have just got to think to get to that point. You have to ignore propositions like that from the Minister for Education and I hope support the one put forward by Deputy Tadier. The last point I will make is that it has been suggested that this is not the right time for the debate; we

should wait until the M.T.F.P. to do it. Well, look how many hours we have spent on it for this debate and how many hours we will spend debating all the other things. We have seen some sneak previews of what is likely to be included in the Medium Term Financial Plan, there is going to be a lot of amendments to it, we are going to be there for weeks and weeks and we know what happens, when you get to a certain point in the day people just turn off, they have lost focus, as is a perfectly natural way for human beings to react when they are in that situation for so long. Now is the time to have our voice heard on this and I hope Members will support Deputy Tadier and vote in favour of his proposition.

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

Who would be a Minister? I mean, really. You cannot do it right for doing wrong. I do not doubt for one moment that the Minister has done some extraordinary things in education and he only has his best intentions in this matter. So, what does the head say? The head says, what is this about? It is about the money. Do we give money to already wealthy people so they can buy in a babysitter so they can go out and work and earn even more money so they can buy themselves a solid gold BMW? Senator Bailhache helped me in my thinking in this, he said: “Why would you give money to somebody who does not need it?” I was reminded of the Christmas bonus debate, you have a couple who rolled up in their BMW in Waitrose carpark and said: “Where is my free money?” I said: “Well, I would rather it was in the pockets of the people who need the money, not in your pocket.” So what does the heart say? As we know, I have for some reason become the emotional guardian of the Assembly apparently, crowned yesterday by Senator Ozouf. The heart says who is this for? Who is this about? It is about the child. We are not giving the money to the parent, in my mind we are giving the money to the child, so they are not being babysat they are being educated. That is the emotional point. As the Constable of St. Mary said, it is about equity, the children being equal. Now, we are the corporate parent of these nursery school children, are we not supposed to parent them and look after them and make sure that they get the best start and not dependent on the parent’s pay packet? I believe so. There will be parents who will wonder which side of the £85,000 barrier they are going to fall on and will they hold back or will they compromise their lives. There will be. It will free parents to work to earn even more money to pay taxes which will keep their children in nursery education and keep that funded, and it will be better for the economy. It strikes me as blindingly obvious really. Will means testing compromise the family unit? Very probably. Will the compromise of the family unit compromise the child? Definitely. I would say this goes so far as to be a false economy. For a comparatively small amount this is a false economy. The butterfly effect, where will this lead? There has been no work done on it.

[15:15]

All children should be able to get an education from the very earliest stage to build the best people possible and no barriers whatsoever should be put in any child’s way, no matter what the pay packet of their parents. It is about the children. The child comes first. Yes, maybe this is a non-debate, maybe this is an *Alice in Wonderland* debate, but it is a great place to put your feelings out on the table, is it not? So I am minded to support the proposition so it goes down on record. I know it probably belongs in the M.T.F.P. debate but this seems the place where my heart is and it is about my heart. So, for the child, I urge you to support the proposition.

1.3.21 Deputy D. Johnson of St. Mary:

Members will be relieved to know that my comment is very brief and follows up what was almost a throwaway question by Deputy Le Fondré. He referred to the question of the cost of these additional employees in the public sector which presumably will take over the jobs of those present in the private sector. It does seem contradictory to me at a time when Infrastructure, for instance, is being required to shed public jobs on the basis that will be taken up by the private sector, Education

is doing precisely the reverse. Deputy Le Fondré did ask for details of costings and I hope that they will be provided. Also I would like to know whether the impact has been fully assessed on the present private establishments which have given a good service by all accounts over the years. One of my concerns is that at the present they do not provide nursery education, not just for the 4 year-olds who may leave them for the public sector but 2 and 3 year-olds. The concern that I have is that if they are perhaps forced to close because of the lack of the clientele or perhaps by virtue of the fact that their own employees are being taken into the public sector, then what happens to those 2 and 3 year-olds? I would like further information as to costings on both those items.

1.3.22 Connétable P.B. Le Sueur of Trinity:

I will not take up too much of the Assembly's time but I first would précis my comments to say I have enormous respect and confidence in the job that the Minister for Education is doing. However, like my fellow Constable of St. Mary, I have great concern that the way that this whole matter has been handled. I think, Minister, you were full of puff when you came out with this to start with and the way that it has been carried on with since then has just been a complete muddle. I also have the concerns of others that it has been very disrespectful to Scrutiny. The driver must be we are trying to achieve savings. Those savings have to be demonstrated and now we are hearing today that what was originally going to save £250,000 is now possibly only going to save £100,000 and that saving is going to be administered by a department which could also cope with doing that extra work without needing anybody else. If they needed nobody else then surely somebody was underemployed somewhere. I came here this morning, and I make no bones about it, my mind was almost made up that I would support this proposition and it is not borne out of any concern I had for the fact that my Parish have lost, or will be losing at the end of this summer term, their pre-school nursery. That was brought about, as the Minister has said, by other factors inasmuch as the existing owner wanted to retire through ill-health ... anyway just the additional risk to somebody picking up and running with that business with the uncertainty over the funding was enough that nobody was really interested in taking the business on. I find myself now on the horns of a dilemma because I think this debate seems to just be going around and around in circles and I do not want to vote and vote against my naturally conservative principles because I believe that means testing is important and necessary in certain applications but that has to be demonstrated that it is achieving the goals that it sets out to achieve. I really think that I am going to have to abstain on this one now. Thank you.

Deputy M. Tadier:

Just as a point of clarification, the saving is not down to £100,000, the lowest that we have is £190,000.

Senator A.J.H. Maclean:

I see your screen is now working again, Sir.

The Greffier of the States (In the Chair):

I am pleased to say it is.

1.3.23 Senator A.J.H. Maclean:

Jolly good. I will not take much time of the Assembly, I think most things have been said and probably the most relevant point in some respects is that as this amendment has been amended by the proposer it has, as the previous Chair pointed out, effectively made it - my words not his - defective. But what it is, which is important, I think, is an opportunity for Members to have expressed their views on a highly emotive, if nothing else, subject. It quite rightly is that. I think it was a point that perhaps Deputy Southern made, if he spoke - maybe he has not spoken - or maybe Deputy Mézec perhaps, which is that this debate has gone on for some time and it has given

Members that opportunity to put their points across. I think that, if nothing else, will be very valuable for the Minister who, some have suggested, has not listened. I do not think that is correct. I think the Minister has now listened to the views that have been expressed by the public, by Scrutiny and by other bodies such as the J.C.C.T. which he mentioned earlier on. Of course, we have also had the newly reconstituted **[Interruption]** ...

The Greffier of the States (In the Chair):

I think there may be a punishment for Senator Green.

Senator A.J.H. Maclean:

Sir, if I could suggest that could be £20 towards the matter in question, or perhaps a bit more from the Minister. As I was saying, the Minister has, I believe, listened to a wide range of views now and I think the result of that is the revised proposal that has come forward. But I would say to Members that from today's debate further points have been raised that I am sure the Minister will have been listening very closely to, and his officers, and there is still time left not for this to come back as was being debated at some length this morning for the next sitting in 2 weeks' time, because I think as another Member pointed out the M.T.F.P. will have already gone to print by that stage and so it is effectively too late. But it is not too late in terms of bringing an amendment to the M.T.F.P. if any Member is still not satisfied with what is being proposed. I would say that this measure, and any further changes the Minister may decide might be appropriate having listened to Members' further concerns today, will be contained in the final proposal of the M.T.F.P. which will be published on 30th June. It is at that point that Members will have time to consider how they wish to move forward with this and to consider this measure which is, of course, just one measure in the context of Education's total package but also the total package of measures, including investment that the Council of Ministers is proposing in the whole plan. I have said on many occasions the M.T.F.P. must be considered as a whole package and that is the key factor. So although this debate is useful to listen to views of Members that perhaps had not already been made, I do think the opportunity for any changes, should Members wish it, should come later. I am going to make a couple of comments just on some Members' points that have been raised. Deputy Brée quite rightly talked about limited resources and the principle of means testing. He was not the only Member, indeed the proposer of the amendment also talked about means testing, as did indeed the Chairman of the Scrutiny Panel. I notice the report the Scrutiny Panel provided on this matter talked about the principle of means testing in, my interpretation was, a fairly positive light. I think the issue is more around the level and application perhaps and I think the steps that the Minister has made in terms both raising the threshold, the starting threshold to £85,000 and the sliding scale has moved a long way towards addressing some of those particular concerns. Deputy Tadier I noticed, when he made his opening remarks on this amendment, talked about sustainability and I think he was using it in the context of this measure and whether this measure would be sustainable in the longer term with, I suppose, he was talking about increasing numbers into the future and the impact it might have with what he was trying to paint as, I think, a disconnect between public and private provision. We have to bear in mind on the sustainability argument that Education have, for the last 3 years, exceeded their net budget simply because the scheme has been successful. We have seen the number of private providers grow since the Nursery Education Fund was created and the grant was available from 22, I think it was, to a current level of 29 providers in the private sector. The provision has grown and, as the Minister has pointed out, there are plans within his department, within the public sector to create further provision within existing facilities and I think that should be welcomed. But the existing fund is clearly not sustainable at the current level. The other issue that I choose to pick up on at this particular point is one raised by Deputy Lewis. Now, I like Deputy Lewis, in fact thinking about it I like both Deputy Lewises but I am referring to Deputy Andrew Lewis who was talking - he is out of the Chamber temporarily - this morning about a

number of things, one of which was the ability to change the tax system and was suggesting that the tax system could not be changed because of the I.T. system. I would have to disagree with that. That is not a correct position to state. What is more relevant, if the Deputy was suggesting as I think he was suggesting, that the basic rate of income tax should increase. He did not give a rate but if he was thinking of 1 per cent or 2 per cent - and I know Deputy Tadier and his colleagues on the back row have a similar view of this matter - Members will be aware that the M.T.F.P. approved last year set a total expenditure limit for the period from 2016 through to 2019, so it is irrelevant for the purposes of this Medium Term Financial Plan period to be looking at other revenue raising measures such as increasing taxation. I think, to be fair to Deputy Lewis, he was looking at the principle of our basic tax rate and as to whether it should change but I just wanted to make the point that it is nothing to do in and of itself about the I.T. system. It is far more complicated when you include the marginal rate system that we have. That is where there is more relevance. We do not have independent taxation at the moment, until that were to be progressed together with a modern I.T. system then we can start to look at a greater level of efficiency in terms of delivering on any changes should indeed Members of this Assembly in the future think that is a course of action that should be followed. It is not one at this stage that I would support. I have said I think all I need to on this particular matter. I think that Members who have concerns should focus those on the M.T.F.P. process if there are any. I have found the comments that Members have made very useful, I am sure the Minister has, and I would encourage Members to wait until the M.T.F.P. is published on the 30th and, again, if they are not satisfied then that is the time to consider bringing forward amendments to be debated in September. Thank you.

1.3.24 Deputy G.P. Southern:

What a joy it is to have a surprise proper debate that goes on for more than an hour in this House, which has been very efficient recently at dealing with business, wham bam, thank you, ma'am, if that is parliamentary. If it is not, I will withdraw it and leave it with wham bam. What we have had today, and I just really want to remind Members of what is at stake here and to spare some words of praise for the high quality of debate that has been going on. The first praise must go the Chairman and her Scrutiny Panel who have produced an excellent report, hard-hitting, accurate and, I believe, effective, along with others who have spoken today and concentrated their focus must be on the child. Not never mind the family but the child is the important focus, that is where it must start and end.

[15:30]

What we are debating today the Scrutiny Panel has pre-empted on page 11, chapter 5 where it is titled: "The principle of free childcare for all." That is essential. This is about the principle of free childcare for all. No matter what the debate was this morning about £75,000 and £85,000 and the last minute change and all that has happened, what we must concentrate on, I believe is what will happen if this proposition is accepted and what will happen if it is rejected? If the Members fail to vote for this proposition, what is going to happen? The likely outcome is that the Minister for Education will take that as a green light. He will be able to do what he wants. Bring some other proposition and the limit might be £85,000, it might be £95,000, it might be £100,000, it might even be £70,000 should he wish, if that is what he wants. If this proposition, though, is accepted, and here I must urge Members ...

The Greffier of the States (In the Chair):

I am afraid I am going to have to stop the Deputy because we are inquorate so I would ask Members to come back into the Chamber.

Deputy G.P. Southern:

Whoever comes back into the hall now, I will not take it personally. I have been here too long. We have an usher.

The Greffier of the States (In the Chair):

An usher is not enough I am afraid.

Deputy G.P. Southern:

I know. A Senator. Welcome back to the living dead. It feels like that after this time. Now, where was I? What happens if we accept this? Then I believe the Minister for Education will not dare to bring something back, he will accept that this means rejection in principle of means testing childcare and an acceptance of the principle of free childcare for all. So for those people who said: "Well, I am confused" or: "I do not know which way to vote, I will abstain", please I urge Members remember what happens in this Chamber. A number of people this morning said: "Listen to my words and pay attention to my words and act accordingly." But that does nothing. That does nothing. The Minister can pay attention to the words but all that happens there is those end up in Hansard and the Minister is no way constrained with what he does. So I would urge Members, whatever the confusion, whatever the furore from this morning about whether it is the right proposition or the wrong proposition, that accepting says: "Minister, pay heed, do not dare come back to this House with something other than what we have asked for." Letting it go by leaves the Minister free to do exactly what he wants. Now, one of the arguments put forward by the Minister ... let me just have a look, let us go there first. In terms of investing in Education, which we are told the Council of Ministers wishes to do and is in fact doing in the Medium Term Financial Plan, in terms of investment in Education and in the future, what is the single most important thing we can do? Probably we can follow like 1001 Days and get investment in our youngest people, in our children. That is the one long term that gives the biggest payback. Make sure your children have the right start and that goes from 1001 Days and onward, pre-school, nursery school and into school and that is where you get the best long-term return. So a short-term decision now to change its funding, to make it non-universal is, I believe, short-sighted and what we should be doing is investing in the long-term care. Quality childcare has a great return on it and one has to ask why we are debating here about the principle of free childcare for all. What happened back in 2008 that a set of Ministers, or were they Presidents in those days? They were Ministers. A set of Ministers then were as equally fervent about means testing any benefit as the current Council of Ministers is today. So what persuaded them that for once they would accept a non-means-tested benefit, a universal benefit? Why? It could well have been, and it was because I was there and took part in that debate, the focus of that set of Ministers and the Assembly on how important this measure was and why it should be universal. That is the position I believe we should maintain. Let me first talk about the need of children. We seem to have gathered the impression somehow that only those people the poorest end of the economic spectrum should be receiving free care because presumably the levels of parenting may not be up to scratch and there may be a predominance of poorer parents who are not very good parents. But that is not true because poor parenting skills exist across the whole spectrum and some of these people at the top end, these people earning over £85,000 a year, whatever, may well be pressed for time. They are busy running around, holding down their job, working all the hours that God sends and possibly are not paying good attention to their kids when they come home at an evening or whatever. They may be working shifts. It is an example I can quote from my own family where my stepson, who is a doctor, just agonises all the time because he is on shift there, on shift there, he gets very little time to be with his children and it cuts him up. Now, hopefully that will not cause long-term damage but one of the packages we can put together is make that the quality childcare is in place for exactly these parents and the need is there for those children, whether at the top end or the bottom end, it is across the spectrum. Do not be fooled that somehow this principle is wrong because the rich are benefiting more than the poor, it is not. It is

about the children. Now, one of the items in the report suggests that the Department of Education says there have been a great deal of changes in the education sector over the past 2 or 3 years. Much of these changes in the U.K. the department has had to follow, and the Scrutiny Panel very wisely looked at what those changes and listened to the figures attached to them. In 5.2 the Panel reports: "On 16th March 2015 the Childcare Act 2016 received Royal Assent in the U.K., this provided 30 hours of free nursery education for children under statutory school age, with means testing set at £100,000." Just pay that some attention for a moment: 30 hours, not our 20 hours but 30 hours. How significant is that? Means testing set at £100,000. What is the average wage in the U.K. compared to here? What sort of government is in the U.K.? Conservative Government, who has usual austerity measures, and yet over there £100,000 is when the means testing starts to kick in. Our earnings are far greater than that average, why do we have a figure of £75,000 or £85,000 and what is the justification for setting it there? Why, there is none. There is no justification whatsoever. As a previous speaker said before, this figure appears to have been plucked out of the air. That is the reality. But how important is it seen in the U.K. and why are we not seeing it as equally important to give our pre-school children the best support possible? I would just like to refer to the words of the Jersey Childcare Trust, I remind Members of what they said: "The Trust maintains the importance of the principle of universality of access to nursery education. There is a wealth of research and evidence now which shows the universal model makes the biggest difference with the return on investment ultimately benefiting the whole society for many years to come." It then goes on to talk about the economic situation and how it understands that the Minister is in a hard place. But that attachment, that praising of the universality of this benefit being most effective, is given by the people who know it because they live with it day in and day out. That is the reality. The justification for removing that universality has not been made. The Panel again, on page 31: "The Minister was asked through the department to supply details of any impact analysis that was done prior to the hearing. Nothing was supplied." Nothing was supplied. Has there been an impact assessment on this particular group? What will it do to the economy? Will it encourage people to go back to work and work harder? Will it encourage one of the pair to work less and give more attention to their child? Perhaps. Will it encourage people to cut down on their hours so that they qualify for the free element? It may do, it may not. Where is the impact assessment? It has not been done. Failure to do that is, I believe, a fundamental failing in what the Minister for Education is proposing to do, the approach he is taking without any evidence. We know from Scrutiny that evidence is key. While I am on it, let us talk about this £85,000, £75,000. Who is this? They have been described as the wealthy, a relative term surely because what are we talking about there, £75,000 to £85,000, we are talking a mid-grade nurse who earns between £36,000 and £45,000 married to a teacher who might be earning on grade 5 between £40,000 and £45,000. Yes, relatively significant amounts. They are not poor but, again, they are hardworking families trying to make ends meet, paying off a mortgage in all probability or paying high rents at the very least. Yet we are to penalise them in some way and remove universality. The Panel then asked about consultation with the Minister's early years' advisers. It was informed that written advice had been provided to the Minister and that this would be forwarded. Nothing was received. Again, what consultation have you had? What research have you done?

[15:45]

Next to nothing. What consultation have you had? Next to nothing. The Scrutiny Panel then goes on to say it was a conscious decision taken by the Minister not to consult with the private sector but to impose the decision upon them. This was done to balance the books regardless of how the news was received and I will use the quote of the Minister: "We decided not to consult because the position was we had to balance our books, we had to prioritise our most vulnerable children, no excuse for that." "We had to balance the books." Therein lies the rub. That is the sole motivation

for the approach taken by the Minister. I keep wanting to say the proposal but he has not brought the proposal yet. Then we are into, just briefly, we have had the argument about how are you going to ... you start means testing, you need to administer the means test. How are you going to do that? We heard this morning from Deputy Wickenden on that previously and certainly from the Panel themselves that they have received extensive evidence of that. In fact every member of the Department for Education is working and busy all of the time. How then ... how many people are in a single year's cohort? How many children? Around about 1,000. 1,000 children born every year. So in that year, or the next year, coming and wanting to provide childcare for those. How long does that take to administer? Does that ... can somebody do it in their spare hours? Is it a lunchtime's work? No, it is not and this is means tested so you have got to hear from all those parents about their means. They have got to make a declaration. That is just not a part-time job for an administrator; that is a significant workload and yet that is not being catered for. Finally, and Members will be glad to see the back of me, I refer to the recommendations in the Scrutiny report. Absolutely spot on: "Recommendation - the Minister for Education should withdraw this proposal completely until there has been consultation, full impact assessments and evidence of connectivity with other financial policies such as tax thresholds within the States." Here, I have to thank the Deputy of St. John for pointing out where those thresholds might properly be and they are more parallel, the U.K. system of around £100,000 and perhaps above. That is a universal market, which is probably easier to see and easier to mark. So I urge Members, despite reservations expressed today about the quality of this debate, not just to voice your opinion with the heart or the head, but to vote for this proposition and it is the single way to make sure that the Minister heeds what we are saying.

1.3.25 Senator P.F.C. Ozouf:

There has been much said, and I am not going to go and hopefully get your wrath in one of your first opportunities of chairing this Assembly and tell me that I am repeating myself but there are a couple of things that can perhaps just be said that are new and a couple of things that are really important that need to be said, I hope, and probably Members have had enough and they want to get on and conclude this debate. There is one thing that perhaps needs to be said and reinforced that is new. That is that sometimes we forget what we have already done and we have, as a result of this Assembly's previous decision, already given a marginal rate tax break to people for their childcare provisions. I have not got my abacus or the Minister for Treasury and Resources' behind me but I think I have worked out that I think that that was, I think, £12,000 or £16,000 from memory and that the marginal rate, which is a very carefully targeted benefit, that is worth £3,000 or £4,000 to every working family that needs it and will bring people into the marginal rate and get people better off. Although I accept the comments that have been made about making sure that there is universality in relation to that. But there has already been a big decision by this Assembly to help working families who need ... and be supported and I know, because it was one ... even though I am a terribly unpopular person, I know how popular ... and what a difference that made to working families who had to bear the cost of childcare and how that valuable that was in getting them into the marginal rate and I am pleased that Deputy Vallois is nodding because that brought people into the marginal rate and cut their taxes and made sure that childcare is more affordable. It also must be said that this is an *Alice in Wonderland* debate and I will repeat that point. If every Member who has a particular view on something, on a suspected or leaked or consulted upon proposal, and I think the Minister has well-explained and made clear - very clearly - and he has been clear that there should have been more clarity about the way that the thing was proposed. It was a proposal; it was not a decision, but he is faced with the devil in the deep blue sea and he always will be criticised. If you do not tell that something is happening and you have got up and made a proposal in the M.T.F.P., you are criticised. If you do make it, then you are still criticised and what should have perhaps been made clear, it was always going to be a proposal, which will be

debated on September. Now, what are we doing if we would have 60 debates? There is probably going to be, dare I say it, 60 or 70 savings proposals. If we would have a debate on every single one of them and not out of context, where would we be? We would be here for days. We are going to be here for days, anyway ... with clocks, I hope, for the M.T.F.P. debate because everything is going to be debated at the M.T.F.P. debate. I say to the Constable, who is shortly to be before their parishioners at their Parish Assemblies, when a parishioner or the Constable comes forward with a Rates Assembly and there is a proposal to spend some money, the Constable cannot put his fingers in his ears and shut his eyes and say: "Do you know what? Let us just take on that proposal and somehow deal with it later." No, there is a consequence to it and that is why we have a composite M.T.F.P. debate where Deputy Tadier can ... I will deal with Deputy Tadier in the minute, because he is remonstrating. **[Laughter]** I will come to that in a minute. I am afraid these decisions that do not have the consequences clearly articulated and explained are wrong. I am against that in principle because we are not having a proper debate here. We are having a debate on emotion. We are having a debate without the facts clearly before us and yes, the Council of Ministers has been criticised and yes, the Minister for Education can be criticised but that is what it is being like a Minister. Perhaps he should have been clearer and the Council should have been much clearer at the time to say this was a proposal subject to a States debate in September. Of course, anything is subject to ... this debate is a fiction in many ways, because the real debate and the final debate can only be that when we have the debate in September. In fact, it is simply a bit of an illusion. I would almost say it is almost a bit of a political fraud to say that we are going to have a debate that finalises the matter now because everything could be changed in the M.T.F.P. I am giving you a dilemma as to say whether that is breaching Standing Orders, Sir. It would be an illusion, Sir ...

The Greffier of the States (In the Chair):

That is a better word, is it not?

Senator P.F.C. Ozouf:

An illusion, Sir. An illusion. It is an illusion and it is not right. It is simply not right and no Parish Constable could go to his Parish Assembly, or her Parish Assembly, I can say to the Deputy of St. Mary and St. Saviour and say: "Do you know what? I will just put the decision off and I will come back and somehow find the solution sometime later." No, a decision is needed with the consequences. Jersey's public finances are not based on short-termism. They are based on dealing ... I said I would come to Deputy Southern in a minute. They are not based on short-termism ... on short-term populism. Most of the ruin of countries, and the U.K. has been cited in terms of their wonderful promises for universal childcare proposals, and, of course, look at their public finances; 80 per cent of debt and whatever one's view is of the Government ... and no plan for health, no plan for proper education funding. Nothing. So do not, please ... can the proposer come to me and say: "Oh, look at the U.K. What a wonderful position that is in." Because it is not. It has got no long-term sustainability funding for nursery care or for health care and trying to say that 1001 Days is part of this, well, I mean, the mathematics are wrong, if I may say. By the time you have passed the 1001 Days, you will ... 1001 Days is well past this provision. 1001 Days is the things you fix before. So we will have a debate about 1001 Days but it has got nothing to do with this debate. You fix the problems of 1001 Days if they have not been fixed earlier by what the Minister for Education is doing, by providing more places in public provision in nursery care. I was in the debate in 2008 when this proposal was started and the only criticism of that debate, and I was there, as other Members were, is that perhaps the error was that it was not made clearer that there was going to have to be some hard decisions in future made to make it sustainable because it perhaps was not said. Some of us said it, if I may say. Some of us did say it but it was not made clear and when the States promises things and then you have to fix them later because you have not been clear about it, you end up in a right old pickle. The problem is that the Minister for Education, who

I think is doing a fantastic job in reforming, improving and focusing education as perhaps his predecessors might not have done, is making some courageous and proper decisions and I thought his speech was one of the best that I have heard of anybody. That is a Minister who understands his brief, who understands the issues and yes, he is going to be criticised and you do get criticised as a Minister, but I thought his speech was compelling and I think he deserves not to be chastised. One mistake because you effectively do not say that it is a proposal that is subject to States approval in September and you are giving early notice of what you are minded to do, which is the correct articulation of what he was saying. But perhaps the media also did not understand that it was either and that is perhaps the fault of Ministers not to correct it because that is what it was ... should not be chastised today for simply making the right decision in terms of warning people what a proposal was going to happen to. Now, I am sitting here and I have been listening to this debate and I am thinking I am going back to 1997. I am thinking that I am going back to listening to old Labour ... sorry, new Labour, which I think the proposer of the proposition is more of an old Labour fan - they can say whether they agree - and new Labour, it is said, suggested that they were wearing the cloak of the Conservatives. Well, what is Deputy Tadier doing in his proposal? Targeting benefits and basically asking the more wealthy to provide some additional cost so that we can provide better public, universal access at the more plentiful supplies of our primary schools. What on earth is Reform Jersey doing telling us these things? What cloak are they wearing today? I do not understand it. It is not consistent. It is not consistent though with their beliefs. He may be wearing a blue tie but that is about it. It is certainly the wrong tie for the underlying policies that I think he normally proposes in this Assembly. I cannot reconcile it. That is as far as I will go. The U.K. system is unsustainable. The Minister for Education's arrangements for nursery care are not sustainable and something needs to be done about it. The proper thing to do is to have a proper debate at the M.T.F.P. when we understand what the options and conditionality is because if everybody comes forward with their pre-M.T.F.P. debates in a vacuum without understanding the rest of the consequences, it is wrong. We would be here and having another set of debates later. It is, in principle, wrong. I urge Members, who are wanting to criticise the Minister and chastise him for perhaps not being as clear as he should have been and then coming forward with revised proposals; some might say that is a good thing, others want to criticise him. I would say to them, please do not chastise him and put him in a difficult position where he then has to do something which they are not aware of the full consequences in M.T.F.P. debate. That is the kind of decision over the years, which is reckless, which has got this Assembly into so much trouble. These agreements in principle, these grandstanding, great decisions with no consequences ... with not understanding how you are going to pay for it. I know that I am being shaken my head at in terms of this issue but there are some things that you have to understand the consequences of. The wreckage of short-termism, without understanding the consequences, is the ruin of public finances and what has got most countries into the absolute devastating mess that they are.

[16:00]

There has to be some frankness and some honesty in relation to where money comes from and how you pay for things. Now, I know that there is an issue of nursery provision and I know that there is an issue of supply in the private sector and I know that that is acutely known by some Members of this Assembly because they have performed valiantly in assisting in the private provision where it has not worked. But if I say to those Members and to the Constables, please, do not simply ... the Minister for Education has had a roasting and yes, I do feel sorry for the Scrutiny Panel that has done good work and good research. There is nothing disrespectful about the Scrutiny Panel or the way in which we have responded to it. They have provided good work and that work will be read by all Ministers and will be taken into account. But the time, in conclusion, is to make decisions when you have the full information and the full facts in the M.T.F.P. debate. That is when we

make decisions with all the costs and the offsets and Deputy Tadier can say all he likes about simply ... he can shut his eyes and put his fingers in his ears and say: “No, no, no. I do not want to understand the consequences of it”, and: “No, no, no. Just do it.” Well, I would like to understand how because the proper time to do that is in the M.T.F.P. debate, not in abstract in a proposition like this, which, in any event, has absolutely no contest when you understand the real prioritisation when the real debate starts on the real prioritisation of savings and costs and tax increases, or other charges increase that we are going to have to have in September. I have wasted the Assembly’s time in repeating the absolute honesty and absolute certainty but, please, I ask Members, do not punish the Minister for Education for trying to do the right thing, having inherited something which is unsustainable because that is what the situation that quite a lot of Ministers in quite a lot of places face. This Council of Ministers quite apart ... the only thing I will say about the unprecedented challenge of our finances, is this is not an unprecedented challenge. This is an unprecedented Council of Ministers doing as previous Assemblies have done, making unprecedented long-term decisions to put our public finances in a strong position to get jobs and growth and taxes as low as possible with good public services. We have done that by thinking long term, not short term and this is a short-term debate, out of context, and it should not be agreed, I respectfully submit.

1.3.26 Deputy L.M.C. Doublet:

I will try to brief. I think there have been some excellent speeches in this debate and I thank all Members who have made positive comments about the work of Scrutiny and we really do appreciate your support. Also, I am heartened by all the Members that have spoken about children and how important it is to look to the needs of children in our policy making. Obviously Members understand that that is foremost in my mind and I think it is for the Minister of Education as well. I know that it is for him, that he cares about the children of the Island. I will come on to that later but the Assistant Minister, I wanted to thank him for the apology that he expressed. I do accept that, as I accepted the Minister’s apology about the way the initial announcement was made. But as I used to say to the 3 and 4 year-olds that I used to teach, when they used to fall out, which, you know, it does happen, humans do disagree on things at times. Saying sorry means saying: “I will not do it again.” So I perhaps implore the Minister in that respect and I do hope that there is a way forward for the Panel and the Minister. It is not about personality. For me, it is about getting the work done in the interests of the public and I will continue trying to do that. But with that to one side, I want to talk about the policy in question here. I wanted to draw Members’ attention back to the Scrutiny report and just to read the recommendation to you: “The Minister for Education should withdraw this proposal completely until there has been consultation, full impact assessments and evidence of connectivity with other financial policies such as tax thresholds within the States.” I feel we have not got complete clarification on what we are voting on today so with that recommendation in mind, it is very difficult for me to decide how to vote on this and I am sure there are other Members who are feeling the same way. I think some are considering abstaining, people are not sure how to vote. I remain unsure. Are we having an in principle debate on whether we should means test at all or are we having a debate on something that has already happened? Well, if it is the first one then my Panel’s recommendation is not to not go ahead with any proposals along these lines at all. The recommendation from the Panel is to go away, do the work that, as you know, might get the impact assessments, do some consultation and then come back to us with something that we can make a judgment on. So the Panel is not recommending do not do this at all. I want to make that clear. That is why it is difficult to have an in principle debate. For me, it is difficult to decide on an in principle debate when I have just made that recommendation. I cannot ask the Minister to do something and then make a decision myself without that evidence. It is very difficult to make a decision on a vote here. So I will attempt to just apply some of the evidence and I will try not to repeat anything that has already been said but I have got a couple of new points, I think, just to perhaps help Members in deciding how to vote. The Deputy of St. Peter mentioned the 1001 Days

and I think the Senator before me did as well. It is a fair point. The 1001 Days is up to the age of 2, the child's second birthday, that is a fair point but, to me, when we have taken that 1001 Days policy on, the spirit of that policy is that we are putting children first and putting early years first and we should be supporting children as much as we can in the early years. I know that point has been made; I will not dwell on it. But I will make the point about investing in early years. We know the emotional arguments for investing in children and supporting them. I think we are all convinced by those but it is not just an emotional argument; it is a practical one. If you invest in a child in their very early years, that investment is paid off over and over and over again across the life span of the individual and it is a saving. So if we put money into children in their early years, we are making a saving in the long-term. That is not an emotional argument ... that is a practical financial argument based upon research evidence. Talking about evidence, the threshold, whether the threshold is in the right place, the £75,000 did not seem to be in the right place. We are not sure whether this new one is in the right place because we do not have the evidence but I was looking at the average house prices and I think the average house price for a 3-bedroom house is £515,000. So with a £15,000 deposit, a couple would need to be earning to borrow 5 times their salary, they would need to have a combined income of £100,000. That is just to get an average 3-bedroom house where they might like to raise a family of 2 children. That, to me, perhaps adds something to the debate on what is a middle income, what is a high income? £100,000 is defined elsewhere in our tax system. Is it £106,000? £106,000 is the limit of where we think a high income starts so I would really like to hear something concrete from the Ministers on what is a low, middle and high income in Jersey so that we can use it to inform our decisions here in the Assembly. I think the argument has been made that this is not affecting the children; it is just impacting the finances of the wealthy families. Well, I think Deputy Southern made the point: "How do we know that people earning over this threshold will send their children to nurseries? We have no idea what decisions they will make. They might withdraw them from those nurseries, so this will impact, potentially, on children if we decide to let this go ahead as it is. The Minister says that he has spoken to families and this is an improvement; I am pleased to hear that he is talking and listening to people but I have not seen that evidence. With Scrutiny, we have piles and piles of evidence available for anybody to see saying that. Speaking of negative impact of this proposal, I have not seen the evidence to the contrary. If the Minister has it I would really like to see it. This proposal does seem more reasonable and I know that many of us, we do ... we look for that middle ground and we look to see what a reasonable compromise is sometimes. I do that myself but I just cannot be sure if this new proposal is ... or if it is just a bit less bad than the first one. It is hard to tell. It is not in line with previous decisions of the States. I think the Constable of St. Mary provided me with a really interesting insight into that and how this came about. It was supposed to be an equal benefit. Just to go back to the first M.T.F.P. where my Panel amended the M.T.F.P. to give some more money to education, that argument still stands. We found then, as an Assembly, we voted ... we have approved a Strategic Plan, which gives significant investment into education. Well, at the moment, they are not getting that. They are not getting anything like significant investment at all. They are having to make too many cuts, in my opinion, and there is not enough going in. The numbers just do not add up and it concerns me that we can vote for a Strategic Plan that says something like that and then the policy is not being followed through. I think that Members need to dwell on that one when they are making their decisions. We have already voted, really, to support this in the Strategic Plan. We voted for this investment. This is where we have agreed to prioritise. I think the Minister for Treasury and Resources, talking about the sustainability ... again, I am confused. As part of the first stage of the M.T.F.P., there was growth money allocated for the Pupil Premium and Special Educational Needs and now we are being told that they do not have enough, that they need to cut money from elsewhere. Well, which one is it? I thought we had given the money for that. It is confusing. Just to go back to the evidence and the public response to this, notwithstanding what the Minister may have heard, I have not really seen any of that. All I have

seen ... and in Scrutiny, we always make a point to go out and find the other side of the argument. Whatever our own views are, we put those aside and we have certainly done that for this review and we made extra efforts in this respect because nobody seemed to be coming forward with any positive views. We implored ... no, in our media releases, we said: "Are there any people that support this? Please come and talk to us." We had 6 people as opposed to the 80 and around 3,000 with the petition that supported. So that is overwhelming in terms of public opinion and I just think the public are disengaged enough. We are working so hard in Scrutiny and it is my personal aim to get people a bit more interested in politics and I am trying desperately to do that and then we are making decisions like this that seem to be going so much against what the public want, I do not think it is right. I still think, for the Minister, the option is there and I would implore him to glance at the recommendation of the Panel. The option is still there for him even at this stage in the debate to withdraw the proposals that he is currently working on and that the Senator before me hinted at this and said there might be some adjustments to this and the Minister is listening. So I would really like it if the Minister would say: "Okay, I have heard what you are saying today and I will look at it further." I do not think there is any shame in doing that. I do not think it is a U-turn; I think that is listening. So I still think there is time for the Minister to accept the recommendation of the Panel. There are so many other options. You know, I have had ... even last night, I am still getting parishioners contacting me about this, concerned about it, and one of them said: "Why do we not target the benefit at families where both parents are working?" You know, there are so many different tweaks that could be made to this proposal with proper consultation and input from various parties; I just think the Minister should take that opportunity. I am getting there. I think I want to comment on ... several Members have spoken about means testing the States nurseries and I can understand how that might be seen as a possible solution to the argument about equity but I just want to emphasise how much of a ... I just think it would be a terrible idea. The principle of public education is that it is free at the point of delivery and from what I know about head teachers in primary schools, I do not believe it would be acceptable. I hope I am not speaking out of turn but from what I know about those head teachers, I cannot imagine them agreeing to that and I believe if any such proposals were attempted or put forward, I think it would create a whole other chapter to this mess and I just do not think it is going to happen.

[16:15]

I see the point that several Members are making but it is not equitable. Again, that leads me to the conclusion, well, the Minister is both the competition to the private nurseries and he regulates them. There is something that needs to be looked at there and we raised that in our report and that was a concern of the private nurseries. So the solution then is to keep it all free. If we cannot means test the States nurseries, then keep the benefit free otherwise we are getting into this ... we are just making a fuss here and we are wasting public time and money over something which is making a tiny saving. It does not make sense. Okay, so I will go back to what I said at the beginning about the Minister having the best interests of children at heart and, you know, several Members have said this; they think the Minister is doing a good job. I have said it myself before and generally I stand by that and I do think he has the best interests of children at heart. But then it makes me wonder why is he bringing this proposal forward in the first place and then I wonder, okay, why did he make the announcement - and I have asked him this - why did he make the announcement ahead of the M.T.F.P.? He did not have to do that. None of the other Ministers have done that. I think, to be fair to him, he had good intentions in doing that. He was trying to inform families about plans that were coming and I wonder if that was also a way of saying to the Assembly: "Look at what I am being asked to do here. Look at what I am having to do as Minister for Education." He is shaking his head but we know there is collective responsibility. He cannot come out and say that. I think we need to read between the lines a little bit. He broke ranks there and I respect him for that.

I do. I just think if these are the kind of cuts that are being required of the Minister and we have heard this phrase: "Difficult decisions have to be made." We have all heard that and we know ... we all know, we are all sensible. We are all adults here. We know that we cannot have this Utopia that costs a lot of money. We know we have to be sensible about things but notwithstanding our difficult economic circumstances, I just think when the solution to our financial issues starts impacting on children, I expect the Minister for Education to be there to challenge that solution that is being proposed. To challenge the big picture of it, of how we are addressing the economic situation. I expect him to be robust in challenging it, even if that means making a stand and putting his head above the parapet. So I am making that challenge to the Minister. Based upon all the points that have been made, I would like to vote in favour of this proposition. I am not really sure I can because I am saying we should not make decisions without the evidence and we still do not have the evidence here so it is very difficult for me to say I will vote in favour of this. I am certainly not voting against it because that would be endorsing the Minister's new proposals, which we have not got the evidence for. Several Members have spoken about wanting ... I think it was the Constable of St. Martin who I always like to hear his speeches. He said he would like to support the work of Scrutiny and he is torn because he does not know how to vote. Well, I would say if you feel that way and you do not want to vote for it, I would urge Members to abstain because ... I do not like abstaining from things. The Deputy of Grouville said she has only done it twice in how many years, none of us like to do it but I think this is an exceptional case. This debate is so unclear. We had a debate about whether to have a debate, you know, and it was split 50/50. There is so much confusion here. I do not think it would be unreasonable of Members to abstain. I certainly do not think anybody should be voting against Deputy Tadier's proposition. I do not think we should be endorsing this at present. I still would like the Minister to stand up now and say he is going to withdraw it, go and do his homework and then come back with something a bit more considered but there we go. So if you want to support Scrutiny and you do not want to vote for the proposition, I would urge you to abstain. I am still not quite sure how I am going to vote. I am going to listen to Deputy Tadier and I am going to think a bit further. But, again, I want to thank Members for the support they have given Scrutiny. I do appreciate that.

Senator P.F.C. Ozouf:

Sir, may I just seek a point of clarification?

The Greffier of the States (In the Chair):

As long as it is.

Senator P.F.C. Ozouf:

It really is, Sir. I thought that there was almost the suggestion, and I know that Deputy Doublet ... I just want to put, for the avoidance of any doubt, Deputy Doublet did say that she suspected that the Minister was putting out the proposal, it was almost as though he was doing it dishonestly in order to get it ... she did not say that but for the avoidance of doubt I am sure she did not say it but she said that it might be that he was putting it out but did not believe in it, and I just thought that she should basically reflect on that and just clarify that she does not really think that he was putting it out and being dishonest because that was the motive ...

The Greffier of the States (in the Chair):

You do not need to reply, Deputy Doublet, but if you want to.

Deputy L.M.C. Doublet:

I will clarify that, Sir. No, I said, to be fair to the Minister, I believed his intentions were good and that he wanted to inform families of a proposal he was going to make in the M.T.F.P. and I do think he broke ranks in doing that. I do not see any of the other Ministers doing that. I was not implying

his intentions but I did suggest that Members might read between the lines and think about how difficult it is for a Minister for Education in the situation that he is in when he is having to make these difficult decisions.

The Greffier of the States (in the Chair):

Senator, if I thought it was out of order I would have called it out of order. Chief Minister.

1.3.27 Senator I.J. Gorst:

On the one hand I am sorry that we find ourselves here this afternoon and I do not mean because we have been debating all day. I mean because I think the Minister for Education, together with his team of Assistant Ministers and his officers, are changing education in a way that many Members of this Assembly have been crying out for and calling for, for many years. Equally, I am sorry that we find ourselves here today because I think that the Scrutiny Panel is supporting him where appropriate, challenging him and scrutinising him in delivering those aims. I think that they, while not being disrespectful to my own Panel who like to challenge me, I sometimes think excessively, are a model of how they are working together in the best interests of children in our community and, therefore, I am sorry that we found ourselves where we did yesterday with the Scrutiny Panel feeling that the Minister and department were being discourteous to them because I know that that was not their intention at all. In fact the Minister found himself in a position of trying to respond to Scrutiny and trying to respond to a Back-Bench proposition, this one, in a constructive way. But the timing of the work that the Scrutiny Panel have done, and I am extremely grateful for them having undertaken that work in a time-constrained manner and I appreciate that. I know that the Minister appreciates that but there was no time between when the Scrutiny Panel would be able to publish their report, and they have done that under time constraints, and the Minister needing to respond to a Back-Bench proposition with informing Members that he was minded to change his proposal in the way that he did earlier this week. Members have also criticised the Minister for the way that the proposal was put into the public domain and that was because the Minister and the department felt they wanted to give families as much lead time as possible leading up to any possible changes in the autumn term of 2017. I say “possible” because Senator Ozouf was absolutely right, the changes that the department had in mind and have in mind would rightly be a part of the M.T.F.P. process where Ministers could endorse or reject. Members could endorse or reject or amend as they saw fit. I think that that process remains the right process. Ministers have challenged the Minister. The Minister was not being disingenuous and trying to signal any other outcome other than support for his proposals in communicating them in the way that he did. I am clear about that because, as I mentioned yesterday, as a current user of a private nursery system I, with colleagues, have challenged the Minister and the department and I know they feel excessively about this proposal because it is important because it does deal with the provision for future generations. We have to remember that the Minister has proposed amended thresholds in response to some of the consultation that the Scrutiny Panel undertook. Therefore, I do not feel that this is discourteous to Scrutiny but, as those public meetings that Scrutiny organised were taking place, the Minister was present at some of them, officers were present. They were listening and I see that some Members are smiling about that as though it is unusual but the Minister was listening. He has met, subsequent to the Scrutiny process with interested parties, those providers of private nursery provision and with members of the public who have concerns. He has tried in a fluid situation to refine and amend his proposals. It bears reminding Members what those new thresholds are, so family incomes of up to £85,000 will continue to access the 20 hours free. Between £80,000 and £85,000 they will have 5 hours less available to them free, between £85,000 and £90,000 they will have 5 fewer hours available to them, which takes them down to 10, between £90,000 and £95,000 5 fewer, until you get to £100,000 and if you have a family income over that amount you will be asked to pay for the full amount of hours that you would currently, under the current system, be

getting free. I want to touch on Deputy Mézec's tour de force of taxation, education, his party's policy, and no doubt we will hear more of that from the mover of the proposition when we get there, and the difference between means testing and the income tax system, the difference between families with one child, 2 children, 3 children, the difference between families with grandparents and without grandparents, the difference between families with grandparents who might have helped those families financially and those that have grandparents that themselves need care. I struggle to see quite the point that he was making there but I think he did accept, and I am sure he would have accepted because it is accepted by the economists, that means testing in the manner that the Minister is proposing is progressive. Means testing in the manner that the Minister is proposing is a progressive measure. I just ask Members to consider that for a moment because I know that Members are going to be challenging Ministers on the M.T.F.P. about whether measures are progressive or not.

[16:30]

Members are potentially in danger of supporting Deputy Tadier and, therefore, rejecting, allowing the Minister to come forward with a progressive measure in the M.T.F.P. It is, to my mind, far better to make those decisions with the knowledge of all the facts at the M.T.F.P. Some Members have tried to say that the threshold measure is set too low. I have been party to correspondence with the Minister only today of quite a personal criticism that he had changed the threshold, that he had listened to what members of the public were saying to Scrutiny and to his department and that he should not have amended it. I think he has made the right decision. If Members do not quite understand the implications of the threshold I would just make one other point, which is relevant to the progressivity of the measure. There are 4, what we might call fully private nurseries in our Island and they do not currently have access to the N.E.F. funding. If one is a parent sending one's child to those nurseries, one does not get the access currently to the N.E.F. funding. But I am aware of at least one of those that is starting to seek to be able to have access to that funding. It would seem to me from the mover of the proposition and his party's position, is that that is not a problem because it should all be universal. I do have a problem with that, I do not think that it can be acceptable in a time when the Minister is rightly looking for efficiencies in his department, and I will come back to that, that nurseries attached to educational provision where families are, when they reach the age of 5, pay many thousands of pounds for that provision to be able to access this particular support from the State. Therefore, I think that the Minister is right to bring forward the means testing in the manner that he is proposing. But, of course, I know the Minister will continue to listen. I know the Minister will and is prepared to further brief States Members on the detail, which I know that the Scrutiny Chair is asking for and there is time to do that between now and the 30th of June. But if we put it into the overall picture, which we will have on the 30th of June, one N.E.F. amount supported by the States is broadly equivalent to the amount that would be available for 5 Pupil Premium amounts. While at the same time as giving the Education Department extra money, we are rightly asking him to make sure that he drives efficiencies and gets best value for the money that he has got and applies it in the most appropriate way for the best educational outcomes for those children. We have had debates before about education is not just about standards and exams and it is not, it is far broader than that. But the Minister and the department are coming forward with proposals where they can re-prioritise their spending to produce better outcomes for the greatest number of children from the service they provide. The Pupil Premium is just one small way in which they are doing that. Members will see that when they have the detail of the M.T.F.P. addition, in the same way that they will see changes that are being proposed to the 1001 Day provision. Senator Ozouf was absolutely right, the maths, as the mover of the proposition knows when he said it in his opening speech, do not add for 1001 Days and this nursery provision. I will just remind Members again, I know the Minister did when he spoke right at the start of this debate,

of the comments that the Jersey Childcare Trust issued yesterday about the appropriateness of what the Minister is now proposing and I will say no more than that. I see the mover of the proposition himself might be referring to that in his closing remarks. We have an M.T.F.P. where we bring all our spending decisions together so that Members can rightly weigh up where is the best place to apply the money that hard-working taxpayers have provided for us to decide how we are going to spend and what is going to be provided in the public service? Means testing of services is an appropriate part of that decision-making process. I appreciate that the last speaker asked Members to abstain, I ask Members to reject the proposition and to make the decision with all the facts of all the proposals and changes that the Education Department is making in the M.T.F.P. in September, when Scrutiny will have more details. The very Panel that have looked at this proposal will look at all of the proposals that the Education Department brings forward. I hope that they, at that point, will find more satisfaction in the detail and the work that the department have done, not only on this measure but also on all the other measures that they are proposing. Not all their measures are re-prioritisation, some measures are new services and new provision with new money. I hope that when that happens we will see good continuing co-operative work between the Minister and the Scrutiny Panel in the best interests of the children in our community. Today is not the right day to ride a coach and horses through the Minister's proposal. If Members want to do that, please do it in the M.T.F.P. when they will be able to balance appropriately all of the proposals and all the areas where we are re-prioritising and allocating new money, particularly, of course, education, as we are talking about that today but also in other departments as well.

Deputy L.M.C. Doublet:

Sir, can I just clarify? The Chief Minister implied that I urged Members to abstain, in fact I urged Members to not vote against the proposition, that if they were not sure that they could vote for it because of the confusion, they should perhaps consider abstention as an option.

The Greffier of the States (in the Chair):

Does any other Member wish to speak? If not and I call on Deputy Tadier.

1.3.28 Deputy M. Tadier:

I have been in this Assembly for 8 years. It might feel like I have been in here for 8 years today because it has been a long debate but that is the period. I have learned some things in that time, perhaps when I was a green younger politician, rather than an older red politician, who today has donned the blue tie, as Senator Ozouf has said. I have probably learned a few things and that is, if you want to get things done, if you want to challenge ministerial decisions you have to bring a proposition to this Assembly or you have to bring an amendment. You have to debate it on the floor of this Assembly, otherwise things do not get done and the Ministers simply pursue their own agenda. This is exactly why I have done this. I looked at the Minister's proposals back then, they have not substantially changed, it has to be said. He was introducing a means-tested system then and even though on Friday he told us that he was going to introduce a means-tested but graduated system with a different threshold the point remains the same. I wanted to challenge that and I wanted to make sure that we waited until the Scrutiny report had both been finished and circulated but also mindful of the fact that I wanted enough time for the Minister to make changes to the M.T.F.P. if he needed to bring that; I think that is the position. All this idea that somehow we have had an *Alice in Wonderland* debate; that has been the suggestion. I do not think that is true at all. I think we have had a very good debate on the many underlying principles of nursery education in Jersey, why we had a universally-funded system. The question being asked is: why is the Minister changing that? That is the question that has not really been asked. The evidence, the burden of proof, is with the Minister. It is not with me or the Scrutiny Panel, which maintains the status quo until such a time as the Minister can provide the proof and the figures that what he is saying adds

up. When one makes arguments one is taught generally to put the strongest arguments first. When reading perhaps in between the lines of the Jersey Childcare Trust's comments they start off with the first 4 lines, which I think is the key issue and then obviously go on to make more moderate comments, taking into account the fact that the Minister is minded to take different decisions, of course, one might speculate that they do not necessarily want to fall out with the Minister. But let us read the first few lines because I think this is the important part. It says: "The Trust maintains the importance of the principle of universality of access to nursery education." It does not say that they think there should be a means-tested system. It says that the principle of universality in nursery education is the importance for them: "There is a wealth of research and evidence now which shows that the universal model makes the biggest difference with the return on investment, ultimately benefiting the whole of society for many years to come." It is the best thing to do socially; it is socially progressive. It is economically sensible to do that and it is sustainable and it is the best principle that we should be doing. We should not have to be telling this Government to stick with the current principle because that is the evidenced best system that we have already got. Yet, we take lectures from the Ministers over there saying that they are the progressive ones and that these proposals that we are suggesting are regressive and that they are not sensible. Yet, rather than having the best system for our children at age 3 or 4, they are willing to sacrifice that for a substandard system, as evidenced by none less than the Jersey Childcare Trust. They are also willing to institute an unsustainable system because, as we have heard here, the universal system is ultimately the best and most stable that we should be doing, and that is irrespective of left or right-wing politics. These are just sensible politics, as my colleague on the left has just said earlier when he spoke. Just to add, I think my proposition was legitimate. I still think it is legitimate and it was legitimate until the Minister sent out a press release, not a comments paper, as is usually the case for a proposition, which has been on the table since the 12th of April, so he has had plenty of time to do that. He did not issue a comments paper, nor an amendment to my proposition, he issued a press release. This is increasingly how we find out what Government policy is on any given issue. We have, it seems, increasingly Government by press release. This is the only mechanism we have today in front of us, for those of us who have either concerns or do not agree with what the Minister is proposing, to have our say and that is the pour and contre buttons. Yes, it was very important for us to be able to make those speeches and we have heard some excellent speeches that take into account the difficulties.

[16:45]

I would say to people who are minded to abstain, first of all, that I do not think anybody puts us in this Assembly to abstain on their behalf. If they will not listen to me for certain arguments maybe they will listen to somebody more esteemed, like Desmond Tutu who says: "If you are a neutral in situations of injustice you have chosen the side of the oppressor. If an elephant has a foot on the tail of a mouse and you say you are neutral, the mouse will not appreciate your neutrality." Of course, by extension, I will not really appreciate anybody who abstains in this proposition. I would much prefer somebody to vote against this. If, for example, they think that fundamentally they are in favour of means testing, that they think on balance the Minister's proposals are the correct ones, then please by all means vote against this proposal because you do not agree with necessarily where I am coming from. But if, ultimately, you think that what the Minister has on the table is not the best scenario, that we can do better and that your concerns are such that the status quo for you is much better than what the Minister is proposing, which is proposing to be introduced in 2017 remember, that there can be a better package put on the table, then the only mechanism we have today to send that clear message to the Minister, even if we do have various different concerns, is to press the pour button. There have been so many good speeches that have been made, so many good points that I think have been drawn out and I have made extensive notes here. But rather than go

through them all individually, I will perhaps single out a couple of points that have been made. I think for me, apart from the fact that, of course, we know that there is not a level playing field between the private sectors. We do not know what the unintended consequences of these changes will be, and we are reminded by Deputy McLinton, who I am pleased is back in the Assembly ... ironically, he might have missed this vote. He had to go and attend to his young children and I am glad he is back in here to vote for this now. I think the point is he said that it is not simply about numbers. This is about individuals. There are no cash-rich children out there, by and large. There might be a few who have their own trusts set up for them, whose future is secure, but by and large children are above this. We do look at the bottom line. We spend lots of time, some departments, going around the world trying to get high net worth individuals to come to our Island for the economic growth, et cetera, but we need to remind ourselves that we already have a different type of high net worth individuals that already live in this Island and they are our children. Whether we have children or not, collectively we have a responsibility for those. I was reminded also it is not about people who are being cash rich. When these arguments about progressive taxation come forward and say: "This is kind of a cobbled together, means tested, progressive measure and you, Reform Jersey, are all commies anyway and you should be supporting this, should you not?" I am afraid that is overly simplistic because it is socially regressive, this policy that is being put forward. There is a strong reason why the former Senator Vibert stood up in this Assembly in 2008, the day after the collapse of Lehman Brothers, knowing that there would have been, of course, difficult times to come, suggesting that we should have had this system and we do now have this system. Because when push comes to shove, it is the best thing for Jersey and social cohesion, all those arguments that have been made. There are individuals out there who might under the new proposals be earning over £85,000 a year and the reason for that might be that they are working every hour that is being sent so that they can try and get their foot on the property ladder. They may be a young family who are earning, I think, relatively modest - but some people might consider it high - earnings, and if they are going out and putting in 60 hours a week in whatever jobs that they have, previously earning - because it is, as the Deputy of St. John reminded us, done a year behind - collective incomes of £85,000 to get a solid base for their family to provide for that young family and to have ongoing stability, should we really be saying to them: "We are going to pull this rug from under your feet"? Because effectively that is what we will be doing. So I do not think I can add anything more. I think it would be slightly decadent after this long debate. The arguments have been made. I do not think that what is being proposed by the Minister is fit for purpose. I do appreciate the fact that he told us what the proposals were. That is the right thing to do and I think he is to be commended for that. It should be that more Ministers are telling us what we can expect before launching it on us in the M.T.F.P. so that the only way we can make changes is amendments, which we know is completely ineffective. I will close with the recommendation of the Scrutiny Panel, which says that we recommend the Minister for Education should withdraw this proposal completely until there has been a consultation, a full impact assessment and evidence of the connectivity with other financial policies. This has not happened yet. I do ask Members for their support in this proposition so that we can get a proper, fit for purpose nursery funding policy in place, not what we currently have at the moment.

The Greffier of the States (in the Chair):

Do you call for the appel? The appel is called for. Members are invited to return to their seats. I ask the Greffier to open the voting.

POUR: 15		CONTRE: 24		ABSTAIN: 5
Deputy J.A. Martin (H)		Senator P.F. Routier		Connétable of St. Mary
Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		Connétable of St. Saviour
Deputy of Grouville		Senator A.J.H. Maclean		Connétable of Trinity

Deputy J.A.N. Le Fondré (L)		Senator I.J. Gorst		Deputy of St. John
Deputy K.C. Lewis (S)		Senator L.J. Farnham		Deputy T.A. McDonald (S)
Deputy M. Tadier (B)		Senator A.K.F. Green		
Deputy J.M. Maçon (S)		Connétable of St. Helier		
Deputy S.Y. Mézec (H)		Connétable of St. Clement		
Deputy A.D. Lewis (H)		Connétable of St. Ouen		
Deputy of St. Ouen		Connétable of St. Brelade		
Deputy L.M.C. Doublet (S)		Connétable of St. Martin		
Deputy R. Labey (H)		Connétable of Grouville		
Deputy S.M. Wickenden (H)		Connétable of St. John		
Deputy of St. Mary		Deputy J.A. Hilton (H)		
Deputy P.D. McLinton (S)		Deputy of Trinity		
		Deputy E.J. Noel (L)		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy R.G. Bryans (H)		
		Deputy of St. Peter		
		Deputy R.J. Rondel (H)		
		Deputy S.M. Brée (C)		
		Deputy M.J. Norton (B)		
		Deputy G.J. Truscott (B)		

2. Draft Proceeds of Crime (Miscellaneous Amendments) (Jersey) Regulations 201-(P.44/2016)

The Greffier of the States (in the Chair):

We now move on to the next item, which is the Draft Proceeds of Crime (Miscellaneous Amendments) (Jersey) Regulations, lodged by the Chief Minister. That is document P.44/2016, if I can ask the Greffier to read the citation.

The Deputy Greffier of the States:

Draft Proceeds of Crime (Miscellaneous Amendments) (Jersey) Regulations 201-. The States, in pursuance of Articles 1(9), 36(2) and 42A of the Proceeds of Crime (Jersey) Law 1999 and Articles 1(2), 11(4) and 44 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, have made the following Regulations.

2.1 Senator P.F.C. Ozouf (Assistant Chief Minister - rapporteur):

Draft Proceeds of Crime Regulations implement in the main a policy for regulating virtual currency in Jersey for anti-money laundering purposes and boosting our digital economy. I hope Members will be familiar with the significant focus that the Council of Ministers is placing on the digital economy and FinTech. Technologies are being developed that have huge economic potential for Jersey and we think that Jersey has the real potential to develop as an international financial centre with FinTech and RegTech at the heart of it. Ultimately, technologies being developed today are going to revolutionise financial services, the way we bank, the way we invest, the way that companies raise money, as my statement on the Innovation Fund yesterday referred to. All this revolution, which I know Deputy Wickenden is one of our resident experts on, is going to lead to new products, new services, new lenders and many new opportunities. Members will be aware of the launch of the consultation on the digital policy framework that was announced last Friday and which FinTech is set almost as one of the key aspects from it. It is front and centre of our intentions for growth and jobs to secure them in the future. Digital is eroding jobs but digital is at the same time creating jobs. The role of Government in this area is to create the best environment

in which financial innovation can flourish. Governments can ensure that in order to create financial innovation there is the appropriate regulation to be introduced to protect both consumers and the jurisdiction, Jersey particularly, against unacceptable risk and ensure that the international standards which are so important to our reputation are appropriately adopted. Virtual currency systems can be significant building blocks of a modern future digital economy and the introduction of an appropriate and proportionate regulatory regime in this area is intended to encourage confidence and innovation in the sector. The draft Regulations before Members demonstrate a piece of really innovative regulation and law making for Jersey, combining our experience in the area of financial services regulation with what is really an innovative way of effectively FinTech technology. We hope that the result of this innovative Regulation is that it is going to be encouraging new forms of FinTech businesses to be established in Jersey ahead of others to create jobs and growth in both financial services and digital. That is why I think the Chief Minister was so right in asking for the units of financial services and digital to be brought together. This is where they meet. This is finance meeting digital and it is one plus one and it is greater than 2. We listed in the Government's Strategic Plan a priority for the digital strategy and pieces of legislation such as regulations like this is going to be one of a number of pieces of legislation which are going to achieve this goal. The draft Regulations introduce regulation at the interface between what many Members will know as real money, that is cash that we use day to day referred to as fiat currencies if you are a regulatory expert, and the words of virtual currency. Many Members will have heard of bitcoin and bitcoin, of course, has quite a pejorative and problematic connotation. Bitcoin is only one and, if I may say, one of the early parts, which does have certainly some real problems associated with it in some respects, but this is much more than bitcoin. This is about the technology. This is about blockchain and effectively the huge potential that there is for blockchain technology to revolutionise the way that a number of businesses and particularly currency exchanges work. Just by way of example, the operation of a bitcoin - I will use bitcoin - A.T.M. (automated teller machine), I would insert cash and in return I have a virtual currency which is provided in this virtual wallet. I am not going to give Members a lesson in blockchain. I can send them round a briefing on that if they want. What that is is effectively the conversion of the traditional cash or currency in a bureau de change in exchange for a virtual currency. What this is trying to do is effectively provide regulation for that. The controls in the regulations proposed to be implemented are effectively the interface with our existing money laundering arrangements, what is called the Money Laundering (Jersey) Order 2008, and that is the thing that controls effectively all financial services businesses, lawyers and accountants, estate agencies, and what their obligations in money laundering are. At the current point in time individuals can conduct virtual currency exchange as a business without the requirement to put any of those controls in place. We want to change that. We want to make sure that this is covered. There is a problem with this effective inability to recognise virtual currencies, which again is not just bitcoin, it is all about the other types of blockchain currencies that will be invented, of which I am aware of some. The legislation covers and extends effectively the existing money laundering arrangements into this area and it is really exciting and what is regarded by the industry as something quite innovative. The Regulations effectively - and this is the innovative bit - create an exemption for turnover whereby if an exchange, a sandbox, a test bitcoin equivalent, a blockchain currency, has a turnover of less than £150,000 in a calendar year, it simply has to notify the J.F.S.C. (Jersey Financial Services Commission) that it is carrying on a virtual currency exchange, a blockchain type activity, and it is not required to go through the full process of registration, payment of fees and regular supervisory visits by the J.F.S.C. Full implementation of this regime will be subject to a following order if these Regulations apply to implement it, but I am signalling that is what will happen to the extension of the order if these regulations are passed. What we are going to do is create an approach where there can be what is ... and I tried to explain this to Members. When you are a business, you have effectively elevators, incubators, fast trackers of anything else.

[17:00]

What regulators do is they have sandboxes. That is the regulatory space where you have a light touch form of regulation which does not put the jurisdiction at risk, where you can effectively test good, innovative FinTech things that otherwise simply would not get off the ground. This is the way that regulators allow almost a less risky entry into the market of something that could become quite large. It effectively does what that other bit of my portfolio does; it removes a barrier to entry for a start-up business where the risks can be demonstrated to be lower, and in this situation it is lower because it is £150,000. Nothing compromises on the money laundering obligations, but the actual full approach of other financial regulation which is required for all sorts of other macroeconomic requirements, because most financial products are regulated in a much more detailed way, can start. It is a sandbox. That is not a playpen. It is what the regulators call a sandbox where you can provide a test bed which will not compromise effectively the risk of the reputation. We should note, however, the exchanges - and I should repeat this - will still be required to act if there is a breach in the regulation if anything to do with this has any issues of money laundering, terrorist finances, et cetera. The draft Regulations before Members were developed further to a detailed virtual currency risk assessment and this is great working, if I may say, by the Jersey Financial Services Commission. Here we have a commission which I want to stand again publicly to recognise and say that they are part of the growth agenda without compromising on standards. Here we have a regulator that is thinking ahead about how they are going to find the solutions to regulating financial products that are not yet created. Well, I do not think we could have said that a few years ago and it really is a mark of a regulator that is now thinking ahead and thinking about protecting the jurisdiction but also thinking about jobs and growth, which is exactly what the Chief Minister put in this memorandum of understanding, that while we will not compromise on regulation and standards, we do want to have the commission focusing on jobs and growth. This is a good example of the J.F.S.C., who have communicated so much better in recent years, doing and thinking ahead and providing solutions to start-up companies. They have a role in providing opportunities for start-ups just as Government does in terms of all the work and, of course, our friends at Jersey Finance and Digital Jersey have been part of this. I compliment all the people that have been working here, my own officials, the Financial Services Unit, and law officers and the Jersey Financial Crime Statutory Group. There was that risk assessment and a full public consultation on regulatory options was published. There was even a Town Hall discussion on it and the policy was announced in late 2015 at the inaugural, I am pleased to say, FinTech Jersey conference. There are other jurisdictions having lots of FinTech conferences, but we are going to have many more FinTech conferences. I do not want to waste Members' time too much today, but FinTech is going to be certainly a jobs and growth opportunity of the future. It is really exciting and we can start to be ahead of the game. In developing the policy legislation, we have taken account of other jurisdictions. I give warning to the Isle of Man and all those others who are busy promoting their FinTech and their sandboxes that Jersey is now well on the way. We are going to develop FinTech opportunities and our teams are working together and this Regulation is really innovative. It is also, of course, considering the obligations of the Island in the important areas and obligations that the Island has in the financial action taskforce, those of the European Central Bank and the European Commission. The Regulations before Members agree with the conclusion of the significant organisations that have taken part. Regulation is important and something should be done in the regulatory space between traditional currencies, fiat currencies and virtual blockchain currencies in the most effective way to mitigate anti-money laundering risk, which has been a real problem. Many Members may have been perhaps concerned about this issue, but also they will have been concerned that we might not have been innovative enough in finding solutions. Well, here we are. The Isle of Man is the only comparable jurisdiction to Jersey to have introduced any form of this type of regulation in this area

late last year and their implementation of that regulation, I am pleased to say, is ongoing. In the U.K. also they are busy developing FinTech opportunities. In the U.K. Chancellor's Budget we saw the announcement that the U.K. would introduce regulation at the interface and it was put forward as such. We have heard many proposals of jurisdictions but I have to say that we are early and that is exactly what we should be doing. We should be nimble and fast moving and this is an example of that. The E.U. (European Union) Commission has also been talking about this whole area and they will be presenting some changes to the Fourth Money Laundering Directive which will deal with the issue of virtual currencies exchange. My officers have been in regular contact and discussions with, of course, the U.K. Treasury and the E.U. Commission, who it is important that we have good relationships with, and I hope that if this legislation is adopted today our legislation would act as, if I may say, an example to be considered by the U.K. and the E.U. Commission when they are considering finalisation. Perhaps this is not the first or last occasion that we will try something in Jersey and be a first because I think this is. I hope Members will agree enthusiastically that this is advantageous, it is good and it is both risk averse but it is also going to be a clear confidence message to the FinTech community that Jersey can develop regulation which is going to effect and implement their good ideas. Aside from virtual currencies, I should perhaps also say that the draft regulations propose a number of miscellaneous amendments to the anti-money laundering and countering of financing of terrorism legislation. Those areas are in the introduction which is in the report. They introduce a requirement for any trustees of any trust, including family arrangements, that do not have a regulator to apply identification verification. Currently, there is customary law on this and this follows effectively the Island's recent review of MONEYVAL. This is included in this legislation and subsequent orders will be made following this legislation. Finally, observers of the details will note that the Regulations will also require an Appointed Day Act to come back before the States and the reason for this is there is a requirement for those orders, as I said, to be done. I am going to conclude by simply saying this. I like taking holidays at my own expense and I did so in the New Year period and I found myself going to Silicon Valley. I thought I should really celebrate the fact that finally the States had said: "You are the digital Minister" so I went to go and celebrate that in Silicon Valley. I realised that there was nobody in Silicon Valley because everybody in Silicon Valley was in Las Vegas. So I got on a plane and I went to the largest tech conference in the world. That is where, as Members may recall, there are a number of announcements made of lots of innovative products, driverless cars and new telephones and all sorts of devices. I did not know much about this tech fair ... I know that Deputy Martin is waving her clock at me but I will be very quick. She is putting some fingers up so I do not quite know what she is doing, but anyway. All I will say is this. I turned up, completely unannounced, in a holiday mood, going to a digital currency conference. There were lots of very important people there and they were there talking about digital currencies. I paid my fee and I went to listen and there was the chairman of this and the chairman of that and the president of the United States Chamber of Digital Commerce. I heard them speak for a couple of hours and then there was a question and answer session. Having announced this policy, I said to the audience: "What would the Panel members think about a jurisdiction that would introduce ..." effectively what I have just explained. I did say that I was a Senator from old Jersey, not New Jersey, and that raised a laugh. One of the participants then stood up and said: "My goodness me, I think it is great that there is a Minister from Jersey" ... I did say I was an Assistant Minister but they said a Minister from Jersey. "I think it is great that they are here because what Jersey is doing is absolutely revolutionary and if nobody has heard of what Jersey is doing, they should go there straight away and they should think about setting up their blockchain businesses." I say that with absolute certainty and honesty because that is exactly what happened, unannounced to a massive audience, and there was the president of the Digital Chamber of Commerce of the United States knowing about Jersey. A second person then stood up and said: "I do not think we can have a difference between New Jersey and old Jersey" and then she stood up and said: "No, that is not

New Jersey, that is old Jersey” and so the point was made and I was then encouraged and did a number of interviews on the back of it. A true story and that shows that innovative regulation can be just as effective in getting regulation. We had even proposed it then and it had even got the message across the water, so this is good legislation, innovative legislation about jobs and growth, and I hope that it is going to end the day on a positive note and Members will agree the principles and then we can deal with the Articles.

The Greffier of the States (in the Chair):

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles? If not, those Members who are in favour of the principles kindly show. Those against? The principles are adopted. I think this falls to the Economic Affairs Scrutiny Panel. Do you wish to scrutinise it?

Deputy S.M. Bree (Chairman, Economic Affairs Scrutiny Panel):

After having a private briefing from the department the Panel have decided that we do not wish to call this in.

The Greffier of the States (in the Chair):

Minister, how do you wish to propose the Regulations?

2.1.1 Senator P.F.C. Ozouf:

I am always a bit nervous about this because I have notes on every single Article, but I sense the mood of the Assembly may be with me. I am very grateful to Deputy Brée. We have spoken about the scrutiny of legislation and while we are going to pass it in one go today, these are Regulations and I hope the Panel were satisfied with the briefings. There has been a lot of work done. I will provide them *en bloc*. They have been through a scrupulous amount of care and consultation and I will answer any questions that Members may have and simply move the Articles and the Regulations, all 5 of them, *en bloc*.

The Greffier of the States (in the Chair):

Is that seconded? **[Seconded]** Does any Member wish to speak on the Regulations? I sense not. Those Members who are in favour of adopting the Regulations kindly show. Those against? The Articles are adopted. Minister, do you wish to propose the matter in Third Reading?

2.1.2 Senator P.F.C. Ozouf:

With pleasure. I sometimes get really nervous when I make remarks and I know that Deputy Martin probably thinks I should have had a clock because I might have spoken too long. I do not know what the fingers were for. **[Laughter]** I am grateful for Members’ support. I hope that they are not just tired after ... yes, they are tired, but that means that they are very happy and I am delighted. This is a real red letter day and a jobs and growth day for Jersey and I thank Members for their support and confidence.

The Greffier of the States (in the Chair):

We have not quite got there yet. Does any Member wish to speak in Third Reading? Those Members who are in favour of adopting the Regulations ... sorry, I missed Deputy Wickenden.

2.3.1 Deputy S.W. Wickenden:

I just wanted to say thank you to the Assistant Minister, his team, the J.F.S.C., Digital Jersey and the people of the digital community that have engaged with the J.F.S.C. to make this happen in a very speedy way. It is really good to see that Jersey is leading the front on this and it is only going to be very good for us and that is what I wanted to say.

The Greffier of the States (in the Chair):

Minister, anything more to say?

Senator P.F.C. Ozouf:

I do not think so. Can I have the appel, just for the avoidance of doubt that there is an overwhelming support?

The Greffier of the States (in the Chair):

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

POUR: 37		CONTRE: 0		ABSTAIN: 0
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator A.J.H. Maclean				
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator A.K.F. Green				
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Mary				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
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 R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy S.M. Brée (C)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

That concludes the Public Business for this meeting. Can I invite the Chairman of P.P.C. to propose the arrangement of public business for future meetings?

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

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

Firstly, I think Members will be, following that last proposition, pleased to know that the order for the digital clocks, which we approved last year, has now been placed. Forthcoming business is as per item M on the Consolidated Order Paper and, if the States approve that, I would suggest 28th June sitting will be at least 2 days.

The Greffier of the States (in the Chair):

Thank you very much. The States now stands adjourned until 28th June.

ADJOURNMENT

[17:13]